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San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

January 20, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE

20TH DAY OF JANUARY 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of January 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:10 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

and the following were absent:

Mark Dunlop, Vice-President

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of December 16, 2003

4 (b) Resolution No. 1-2004, Authorizing a 60-day extension of the Third Amended and Restated Exclusive Negotiations Agreement with

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Fillmore Development Associates, LLC, a California limited liability company, for the Disposition and Development of Agency Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; Western Addition Redevelopment Project Area A-2

4 (c) Resolution No. 2-2004, Authorizing a Fourth Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, a California nonprofit public benefit corporation, and California Properties of Woman's Division, Inc., a California nonprofit public benefit corporation, to revise the schedule of performance to extend the construction completion date for the rehabilitation of 88 units of very-low income rental housing for women, located at 1040 Bush Street; Citywide Tax Increment Housing Program

Speakers: Mary Helen Rogers (on item 4 (b))

Commissioner Singh put forth a motion to withdraw item 4 (c) from the Consent Agenda. Commissioner Sexton seconded the motion. The Commission, with unanimous consent, withdrew item 4 (c) from the Consent Agenda.

The Commission voted on items 4 (a) and 4 (b) of the Consent Agenda.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF DECEMBER 16, 2003, AND 4 (b) RESOLUTION NO. 1-2004, AUTHORIZING A 60-DAY EXTENSION OF THE THIRD AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DISPOSITION AND DEVELOPMENT OF AGENCY PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Ms. Lucia Mele, Development Specialist, presented on item 4 (c).

Commissioner Singh put forth a motion to adopt item 4 (c).
Commissioner Sexton seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 2-2004, AUTHORIZING A FOURTH AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH INN, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND CALIFORNIA PROPERTIES OF WOMAN'S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE THE SCHEDULE OF PERFORMANCE TO EXTEND THE CONSTRUCTION COMPLETION DATE FOR THE REHABILITATION OF 88 UNITS OF VERY-LOW INCOME RENTAL HOUSING FOR WOMEN, LOCATED AT 1040 BUSH STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (d) Resolution No. 3-2004, Commending and expressing appreciation to Sean L. Spear for many years of dedicated service upon his departure from the Redevelopment Agency of the City and County of San Francisco

Presenters: Olson Lee (Agency staff)

Commissioner Palamountain shared that she had an opportunity to speak with Sean Spear prior to his departure and complimented Mr. Spear on his cool and calm demeanor when presenting before the Commission. Ms. Palamountain thanked Mr. Spear not only for his dedicated work, but also his friendship and wished him good luck in his future. Ms. Palamountain put forth a motion to adopt item 4 (d).

Commissioner Sexton seconded Commissioner Palamountain's motion and thanked Mr. Spear for all his hard work and wished him the best of luck.

President Romero stated that Mr. Spear was a well-qualified member of the Agency staff and because of Mr. Spear's unique abilities, his colleagues recognized him to lead labor negotiations for SFREA on their behalf. Mr. Romero wished Mr. Spear and his family the best of luck.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 3-2004, COMMENDING AND EXPRESSING APPRECIATION TO SEAN L. SPEAR FOR MANY YEARS OF DEDICATED SERVICE UPON HIS DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Items 4 (e) and 4 (f) were presented together and acted upon separately.

4 (e) Resolution No. 4-2004, Restating and clarifying the authority of the Executive Director to (1) exercise the right of first refusal or option to purchase, (2) enter into a purchase and sale agreement, and (3) expend an amount not to exceed a total aggregate amount of \$500,000, adjusted annually, to repurchase and provide loans and grants to low- and moderate-income first-time home buyers in conjunction with each resale of Agency-assisted ownership units; all Redevelopment Project Areas

4 (f) Resolution No. 5-2004, Pursuant to California Health and Safety Code Section 33433(c)(1), requesting the Board of Supervisors to authorize the resale of Agency-assisted ownership units acquired with tax increment funds without Board hearing; all Redevelopment Project Areas

Presenters: David Sobel (Agency staff)

Commissioner Palamountain thanked Mr. Sobel for a good presentation. Ms. Palamountain stated she did not have a problem with the delegation of authority, but wanted to know how staff arrived at the \$500,000 expenditure authority figure.

Mr. David Sobel, Senior Development Specialist, stated that the \$500,000 would include all of the Agency's expenditures related to the repurchase of an Agency-assisted ownership unit in order to maintain the unit as part of the Agency's affordable ownership inventory. Mr. Sobel explained that under the Form B or shared appreciation model, the existing expenditure authority of \$250,000 was not sufficient for the repurchase of an ownership unit due to the high appreciation of housing cost in San Francisco. Under the Form C or limited equity model, the Agency could purchase the ownership unit at the affordable ownership cost, which would average a little more than \$250,000.

Commissioner Palamountain stated that a lot of the policy presentations depended on the continuation of the Form C or limited equity model for the Agency's affordable homeownership program, but that was not clearly reflected in the resolution before the Commission, so Ms. Palamountain put forth a motion to amend item 4 (e), Resolution No. 4-2004 as follows: following the last sentence on Resolution 4-2004, insert the following: ", so long as the subsequent resale is made pursuant to a limited equity model of affordable home ownership (i.e., Form C or a substantially similar model)."

Commissioner Sexton seconded Commissioner Palamountain's motion to amend item 4 (e), Resolution No. 4-2004. The Commission, with unanimous consent, approved the amendment to item 4 (e), Resolution No. 4-2004.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 4-2004, RESTATING AND CLARIFYING THE AUTHORITY OF THE EXECUTIVE DIRECTOR TO (1) EXERCISE THE RIGHT OF FIRST REFUSAL OR OPTION TO PURCHASE, (2) ENTER INTO A PURCHASE AND SALE AGREEMENT, AND (3) EXPEND AN AMOUNT NOT TO EXCEED A TOTAL AGGREGATE AMOUNT OF \$500,000, ADJUSTED ANNUALLY, TO REPURCHASE AND PROVIDE LOANS AND GRANTS TO LOW- AND MODERATE-INCOME FIRST-TIME HOME BUYERS IN CONJUNCTION WITH EACH RESALE OF AGENCY-ASSISTED OWNERSHIP UNITS, SO LONG AS THE SUBSEQUENT RESALE IS MADE PURSUANT TO A LIMITED EQUITY MODEL OF AFFORDABLE HOME OWNERSHIP (i.e., FORM C OR A SUBSTANTIALLY SIMILAR MODEL); ALL REDEVELOPMENT PROJECT AREAS, AS AMENDED, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 5-2004, PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433(C)(1), REQUESTING THE BOARD OF SUPERVISORS TO AUTHORIZE THE RESALE OF AGENCY-ASSISTED OWNERSHIP UNITS ACQUIRED WITH TAX INCREMENT FUNDS WITHOUT BOARD HEARING; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

4 (g) Resolution No. 6-2004, Authorizing (1) an Operating Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, in an initial amount not to exceed \$450,000 per year and an aggregate amount of \$6,750,000 as adjusted by consumer price index changes, subject to appropriation, for a period of no more than fifteen years, and (2) consenting to the lease by the SF Museum Tower LLC, a Delaware limited liability company, as landlord, to the Museum of the African Diaspora, as tenant, of the cultural component in the St. Regis Museum Tower development under construction on a portion of Parcel EB-2A at the southeast corner of Third and Mission Streets; Yerba Buena Center Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: Belva Davis Moore, James Jefferson, Pat Johnson, Alma Robinson

Commissioner King thanked and welcomed the new members to the board of the Museum of the African Diaspora. Mr. King stated he was certain of the museum's success and put forth a motion to adopt item 4 (g).

Commissioner Sexton seconded Commissioner King's motion to adopt item 4 (g).

Commissioner Singh thanked and congratulated Mr. William Carney for doing a great job on the museum.

President Romero added his congratulations to Agency staff and the museum and remarked that the economic times were not easy for a museum project such as MoAD to move forward steadily and with deliberate pace, and stated that it was heartening to see the museum's progress. Mr. Romero stated his support for the project and complimented the Agency and museum team for a job well done.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 6-2004, AUTHORIZING (1) AN OPERATING AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN INITIAL AMOUNT NOT TO EXCEED \$450,000 PER YEAR AND AN AGGREGATE AMOUNT OF \$6,750,000 AS ADJUSTED BY CONSUMER PRICE INDEX CHANGES, SUBJECT TO APPROPRIATION, FOR A PERIOD OF NO MORE THAN FIFTEEN YEARS, AND (2) CONSENTING TO THE LEASE BY THE SF MUSEUM TOWER LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS LANDLORD, TO THE MUSEUM OF THE AFRICAN DIASPORA, AS TENANT, OF THE CULTURAL COMPONENT IN THE ST. REGIS MUSEUM TOWER DEVELOPMENT UNDER CONSTRUCTION ON A PORTION OF PARCEL EB-2A AT THE SOUTHEAST CORNER OF THIRD AND MISSION STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (h) and 4 (i) were presented together and acted upon separately.

4 (h) Resolution No. 7-2004, Authorizing a Third Amendment to the Owner Participation Agreement dated March 11, 1986 with the Full Gospel San Francisco Church, a California nonprofit corporation, for an approximately 4,050-square-foot expansion to an existing 10,900-square-foot; multipurpose building located at 1480 Ellis Street; Assessor's Block 724, Lot 33; Western Addition Redevelopment Project Area A-2

4 (i) Resolution No. 8-2004, Conditionally approving the schematic design of the Full Gospel San Francisco Church for an approximately 4,050-square-foot expansion to the existing 10,900-square-foot, multipurpose building located at 1480 Ellis Street; Assessor's Block 724,

Lot 33; Western Addition Redevelopment Project Area A-2

Presenters: Kurt Fuchs, Gabriela Cardona (Agency staff)

Speakers: Daniel Hwang

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 7-2004, AUTHORIZING A THIRD AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT DATED MARCH 11, 1986 WITH THE FULL GOSPEL SAN FRANCISCO CHURCH, A CALIFORNIA NONPROFIT CORPORATION, FOR AN APPROXIMATELY 4,050-SQUARE-FOOT EXPANSION TO AN EXISTING 10,900-SQUARE-FOOT, MULTIPURPOSE BUILDING LOCATED AT 1480 ELLIS STREET; ASSESSOR'S BLOCK 724, LOT 33; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 7-2004, AUTHORIZING A THIRD AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT DATED MARCH 11, 1986 WITH THE FULL GOSPEL SAN FRANCISCO CHURCH, A CALIFORNIA NONPROFIT CORPORATION, FOR AN APPROXIMATELY 4,050-SQUARE-FOOT EXPANSION TO AN EXISTING 10,900-SQUARE-FOOT, MULTIPURPOSE BUILDING LOCATED AT 1480 ELLIS STREET; ASSESSOR'S BLOCK 724, LOT 33; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (j) Resolution No. 9-2004, Authorizing the execution of a demolition contract with Ferma Corporation, a California corporation, in an amount not to exceed \$95,039, for demolition of the vacant, two-story wood-frame building located at 1345 Turk Street; Western Addition Redevelopment Project Area A-2

Presenters: Su-Syin Chou (Agency staff)

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 9-2004, AUTHORIZING THE EXECUTION OF A DEMOLITION CONTRACT WITH FERMA CORPORATION, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$95,039, FOR DEMOLITION OF THE VACANT, TWO-STORY WOOD-FRAME BUILDING LOCATED AT 1345 TURK STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (k) Resolution No. 10-2004, Authorizing a First Amendment to the Letter Agreement with the Department of Public Works of the City and County of San Francisco, which increases the amount by \$250,000 for a total aggregate amount of \$430,000 for environmental and design work in furtherance of the Bayview Transportation Improvement Project; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area

Presenters: Don Capobres (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. YEE ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 10-2004, AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO, WHICH INCREASES THE AMOUNT BY \$250,000 FOR A TOTAL AGGREGATE AMOUNT OF \$430,000 FOR ENVIRONMENTAL AND DESIGN WORK IN FURTHERANCE OF THE BAYVIEW TRANSPORTATION IMPROVEMENT PROJECT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Tony Tantillo, Mary Helen Rogers

7. REPORT OF THE PRESIDENT

- President Romero wished everyone a Happy New Year.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Newspaper articles about Governor Schwarzenegger's proposed budget cut that would affect redevelopment agencies statewide – part of the \$1.3 billion that the Governor's proposed budget takes property taxes away from local jurisdictions is a proposed Educational Revenue Augmentation Fund or ERAF swap again in the amount of \$135 million. There were no details provided in the state budget, but there were reports from Sacramento that the Governor's proposed budget cuts would go beyond this year's budget and would result in increasing swap of redevelopment dollars for education dollars overtime, which of course, have a significant impact in San Francisco as well as statewide. Ms. Rosen informed the Commission that she was attending a board meeting of the California Redevelopment Association in Sacramento on January 22nd to learn more details on the Governor's proposed budget. Ms. Rosen stated that the ERAF shift for the current fiscal year was \$135 million that resulted in a \$3.4 million cut for San Francisco, (which the Commission acted upon at its first meeting in December 2003 to amend the Agency's 2003-2004 budget). That budget amendment had been pending at the Board of Supervisors and the matter was now scheduled before the Board of Supervisors' Budget Committee on February 5th. Ms. Rosen pointed out that Governor Schwarznegger's proposed budget cuts would have

additional impact on the next fiscal year 2004-2005 budget and assured that she would keep the Commission informed of developments.

- Major Project Summary booklet – Ms. Rosen thanked and acknowledged the hard work of Agency staff in the preparation of the summary, which involved all of the Agency's divisions including project management and executive staff. Ms. Rosen added that the summary provided good background material for the upcoming Commission budget workshops scheduled in February.

- Transaction closings for the following:
 - Six of the ownership units on Site X in Hunters Point.
 - Batmale site in the South of Market for the proposed Health Center and family housing.
 - Refunding of bonds for the Coventry Apartments.
 - Bond and land closings for the Mission Creek Senior community project.

- Community workshop sponsored by the Bayview PAC on the Town Center Block Master Plan, January 27th from 6:00 to 8:00 p.m. at the Alex Pitcher community room of the Southeast Community Facility. The Concept Plan for Bayview Hunters Point looked at the Town Center Block on Third Street to be a focal point for the community's revitalization and the workshop would help formulate a comprehensive development scenario for the site, which parcels were publicly owned by the Bayview Opera House, the School District and the Recreations and Parks Department. Ms. Rosen added that the workshop would be broadcast live on radio station KPOO.

- Attended a town hall meeting for District 10 (Bayview) convened by Supervisor Maxwell on January 10th to discuss activities and programs in the Bayview by various City departments.

- In response to Mrs. Mary Rogers' comments about the schedule for Parcel 732-A, Ms. Rosen stated that the staff and Commission shared Mrs. Rogers' desire and goal to move the project expeditiously. Ms. Rosen stated that staff was optimistic that it would not need the full 60-day extension of the exclusive negotiations agreement (approved earlier by the

Commission) to bring a Disposition and Development Agreement (DDA) before the Commission, and the extension was not a result of delays on anyone's part as the parties had been meeting frequently and during the holiday period to develop a supportable schematic design and DDA, and all parties continued to work diligently towards that end. Ms. Rosen added that she and staff would be available to speak with Mrs. Rogers and other members of the public on the progress of the project.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain asked that if an additional extension for the exclusive negotiations agreement for Parcel 732-A was necessary, to calendar the item on the regular agenda so that the Commission and the public could hear the details and lend some support and advise.
- Commissioner Palamountain recalled that previous budget presentations to the Commission had been focused on the Agency's prior year achievements, and suggested that this year's budget presentations look forward and focused on where Agency funds were allocated for which future projects and programs.
- Commissioner Sexton requested that the January 20th Commission meeting be adjourned in honor of Mr. Alonza Bean, who died from complications of ALS, Lou Gehrig's disease on January 7th. Mr. Bean was Ms. Sexton's mother's fiancée and long-time companion.
- Commissioner Singh seconded Commissioner Sexton's request.

10. CLOSED SESSION:

**ITEM 10 (a) CONTINUED FROM THE COMMISSION MEETING
OF DECEMBER 16, 2003**

(a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

(b) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: two potential cases.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Ms. Sexton, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:14 p.m. The January 20, 2004 Commission meeting was adjourned in memory of Mr. Alonza Bean.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

February 03, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE

3RD DAY OF FEBRUARY 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 3rd day of February 2004, at the place and date duly established for holding of such a meeting.

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President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

and the following were absent:

Leroy King

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of January 20, 2004

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT CONSENT

AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF JANUARY 20, 2004, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 11-2004, Authorizing 1) a First Amendment to the Memorandum of Understanding and a First Amendment to the Grant Agreement with Bindlestiff Studio, a California nonprofit public benefit corporation, to increase the grant amount by \$84,645 for a total aggregate amount not to exceed \$225,035, and to extend the agreement period from June 30, 2004 to June 30, 2005, for additional predevelopment activities associated with a new community theater at the Plaza Apartments, to be constructed at 988-992 Howard Street; and 2) a First Amendment to the Fiscal Agent Contract with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to act as fiscal agent for Bindlestiff Studio; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Isabella Wong (Agency staff), Olivia Malabuyo (Bindlestiff Studio)

Speakers: Charles Range

Commissioner Singh inquired about the projected income for Bindlestiff Studio and asked if there were funding commitments from other City sources, foundation/corporate gifts, and individual gifts.

Ms. Mary Schmidt, capital campaign consultant, stated that she conducted a feasibility study of prospective contributors and community leaders for the project, and although there were not promises of funding at that time, there was a lot of enthusiasm for the project. Potential contributors expressed that they wanted to see a structured leadership of Bindlestiff Studio, specifically a board of directors established. Ms. Schmidt stated that Bindlestiff Studio had been working on its organization and had recently formed a board of directors and was poised to begin its fundraising campaign. Ms. Schmidt shared that among the groups she spoke with included the San Francisco Foundation, the Northern California Community Loan Fund, and the Haas Senior Fund, who had all

expressed interest in working with Bindlestiff Studio towards a successful project.

Commissioner Singh asked if there were any funding commitments from any of the foundations that were contacted and if there were any fundraising events scheduled.. Mr. Singh asked what the time period was for the fundraising campaign.

Ms. Schmidt stated that there were no funding commitments from the foundations to date, but that the foundations suggested that Bindlestiff Studio apply for smaller program funds in the range of \$5,000 to \$15,000 for the current year, and then apply the following year for more significant funding in the range of \$25,000 to \$100,000. The foundations wanted Bindlestiff Studio to establish a relationship with them so they could create a track record. Ms. Schmidt stated there were no fundraising events scheduled, but that there were regular contacts with the foundations. Ms. Schmidt stated that the fundraising campaign would continue through the end of 2005.

Commissioner Singh stated that the project was in the good hands of Ms. Olivia Malabuyo who had been doing a great job, and put forth a motion to adopt item 4 (b).

Commissioner Palamountain asked when the Plaza Hotel was scheduled to be demolished and when the new Plaza Apartments would be constructed. Ms. Palamountain requested clarification that there was no managing director for Bindlestiff Studio.

Ms. Isabella Wong, Development Specialist, stated that the demolition was scheduled in March 2004 and construction of the new Plaza Apartments was scheduled in June 2005.

Ms. Olivia Malabuyo of Bindlestiff Studio, stated that they did not have a managing director at the present time as they had just begun a hiring process for various positions including the managing director. Ms. Malabuyo added that Bindlestiff Studio had gone through the process of refining the job descriptions for positions with a targeted hiring date of June 1, 2004.

Commissioner Palamountain seconded Commissioner Singh's motion to adopt item 4 (b) and thanked TODCO for providing fiscal agent services to Bindlestiff Studio at no cost. Ms. Palamountain thanked architect Roberto Sheinberg whom she had seen at some of the Bindlestiff Studio performances for his dedication in learning about the studio to help him design a quality performance theater. Ms. Palamountain commended all of the consultants working with Bindlestiff Studio for their commitment to ensuring a successful project. Ms. Palamountain lent her support for the project.

President Romero offered his own words of encouragement to the Bindlestiff Studio team and shared that he once helped establish a non-profit organization and knew how difficult and frustrating it could be, but suggested that Bindlestiff Studio continue to persevere and to get other people involved that would bring new energy to the project. Mr. Romero lent his support for the project and wished Bindlestiff Studio the best of luck.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 11-2004, AUTHORIZING 1) A FIRST AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING AND A FIRST AMENDMENT TO THE GRANT AGREEMENT WITH BINDLESTIFF STUDIO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT AMOUNT BY \$84,645 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$225,035, AND TO EXTEND THE AGREEMENT PERIOD FROM JUNE 30, 2004 TO JUNE 30, 2005, FOR ADDITIONAL PREDEVELOPMENT ACTIVITIES ASSOCIATED WITH A NEW COMMUNITY THEATER AT THE PLAZA APARTMENTS, TO BE CONSTRUCTED AT 988-992 HOWARD STREET; AND 2) A FIRST AMENDMENT TO THE FISCAL AGENT CONTRACT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO ACT AS FISCAL AGENT FOR BINDLESTIFF STUDIO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (c) Resolution No. 12-2004, Authorizing a First Amendment to the Letter Agreement with the Mayor's Office of Community Development for business development contracts with South of Market Foundation dba Urban Solutions to incorporate the Six on Sixth Economic Revitalization Program, and to increase the maximum amount payable by \$489,426, which includes a carry-over of \$457,926; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: Magne Veimoen, Barry Picazo, Roger Gordon, Charles Range

Commissioner Palamountain thanked Mr. William Carney for all of the work he does in South of Market and requested clarification that the requested funding for Urban Solutions did not involve the Agency's Single Room Occupancy (SRO) Rehabilitation Program.

Mr. William Carney, Senior Project Manager, stated that the Agency's SRO Rehabilitation Program was indeed a separate program with its own funding allocation.

Commissioner Dunlop lent his support for Urban Solutions and complimented them on their program. Mr. Dunlop inquired about the budget shortfall of \$224,222 and asked if that amount was included in the coming fiscal year budget, given that there will be budget constraints and expressed his concerns about having funds available for loans.

Executive Director Rosen stated that the amount was not a real shortfall rather, it is based on the projected request for loans and an estimation of the amount to be requested for a number of loans in the predevelopment phase where the cost and the loan amount was not yet known. The loan program required an equity contribution by the property owners as a precondition to the public funding and it was not certain if such contribution was forthcoming. Ms. Rosen stated that she had asked staff to prepare the analysis to show the variety of activities that Urban Solutions engaged in with the property owners and the variety of businesses that were looking into the loan product, all for the furtherance of the Agency's revitalization efforts on Sixth Street.

President Romero commended everyone for their hard work and encouraged them to keep up the good work.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 12-2004, AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR BUSINESS DEVELOPMENT CONTRACTS WITH SOUTH OF MARKET FOUNDATION DBA URBAN SOLUTIONS TO INCORPORATE THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM, AND TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$489,426, WHICH INCLUDES A CARRY-OVER OF \$457,926; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (d) Resolution No. 13-2004, Awarding contract RPSB 003-03 and Authorizing the execution of a construction contract with Dutra Construction Company, Inc., a California corporation, in an amount not to exceed \$2,520,539 for South Beach Park and Harbor Improvement Project (Marine Improvements); Rincon Point - South Beach Redevelopment Project Area

Presenters: James Nybakken, Kevin Masuda (Agency staff)

Speakers: Ed Gallagher, Herb Meyer, Richard Forst, Ed Mackin

Commissioner Palamountain put forth a motion to adopt item 4 (d).

Commissioner Yee pointed out that there was a small difference in the bid amounts between the recommended contractor and the next low bidder. Mr. Yee recalled that Dutra Construction Company was not from San Francisco, and asked if there was any priority given to local contractors. Mr. Yee requested verification that the recommended contractor was in good standing with the Contractors' State License Board of California.

Mr. Chris Iglesias, Contract and Fiscal Services Manager, stated that the Agency did not have a bid preference program similar to that of the City's, and in the City's case, the bid preference would only apply to minority- and women-owned businesses in San Francisco.

Mr. Kevin Masuda, Civil Engineer, stated that the recommended contractor, Dutra Construction Company, was in good standing with the Contractors' State License Board of California.

Commissioner Yee seconded Commissioner Palamountain's motion to adopt item 4 (d).

Commissioner Singh requested verification that no contractor from the City submitted a bid for the project.

Executive Director Rosen affirmed that no contractor from the City submitted a bid for the project.

Commissioner Yee opined that the \$2.5 million contract may be too small for local San Francisco contractors, and asked if staff knew why contractors from San Francisco were not interested in submitting a bid for the project.

Mr. Chris Iglesias stated that on specialized construction projects especially marine construction, the field of qualified contractors narrowed and there were only a few marine construction companies in the Bay Area. The Human Rights Commission's directory of Minority Business Enterprises listed only three firms specializing in marine construction and they did not submit bids for the project.

President Romero thanked staff for the thorough presentation and stated that he was impressed that five bids were submitted for the project.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 13-2004, AWARDED CONTRACT RPSB 003-03 AND AUTHORIZING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH DUTRA CONSTRUCTION

COMPANY, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$2,520,539 FOR SOUTH BEACH PARK AND HARBOR IMPROVEMENT PROJECT (MARINE IMPROVEMENTS); RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (e)Resolution No. 14-2004, Public hearing and Authorizing: (1) the Agency's acceptance of land in lieu of repayment of a loan; (2) a ground lease with Mariposa Gardens II, L.P., a California limited partnership, for the Agency's interest in land at 2445 Mariposa Street, for 55 years with an extension option of 20 years; (3) a standby payment agreement with Mariposa Gardens II, L.P., a California limited partnership, and Citibank, FSB, a California corporation, in an amount not to exceed \$1,365,459, plus applicable interest and other associated costs, to guarantee the payment of certain private loan funds; and (4) related documents with related parties for the rehabilitation of 63 very low-income family rental units at the Mariposa Gardens Apartments, 2445 Mariposa Street, as part of the Agency's Housing Preservation Program; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff)

Speakers: Kenneth Jones

Commissioner Sexton put forth a motion to adopt item 4 (e).
Commissioner Palamountain seconded the motion.

Commissioner Dunlop lent his support for the project and asked why the renewal of the lease was for only 20 years, instead of the usual 40-year lease extension.

Ms. Pam Sims, Development Specialist, stated that the proposed lease was a bit different from the traditional 99-year leases because of a new investor in the project who felt that a lease term longer than 50 years would be deemed a purchase and not a lease.

Executive Director Rosen clarified that the proposed lease terms were

to the advantage of the Agency because it owned the land, and at the end of the ground lease, the Agency had the sole discretion to maintain the affordability of the units.

Commissioner Dunlop requested verification that the Agency owned land and entered into ground leases with other affordable housing developments, and stated that the program had been very successful.

Executive Director Rosen explained that over the past few years, the Agency had used structured transactions known as public land trusts in that the Agency maintained ownership of the land and had long-term control of the affordability of the units through the ground lease. The Agency had used that structure for the Agency's preservation portfolio, which to date had 19 developments with over 1,900 affordable housing units preserved.

Commissioner Singh asked for a definition of a public land trust. Mr. Singh also asked if the Agency would have any control after the ownership of the land was transferred.

Executive Director Rosen explained that the structure for the ground lease transactions were part of the public subsidy was a public investment and ownership of the land as opposed to the improvements or the building itself. The Agency would ground lease the building to a developer who would become the landlord responsible for the rehabilitation and maintenance of the housing units, and because the Agency owned the land, the terms of the ground lease would control the affordability and the quality of maintenance and repair and allowed the Agency to remain involved in the development. Ms. Rosen stated staff was proposing that the Agency maintain ownership of the land in perpetuity in order to maintain control over the affordability of the housing units.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 14-2004, AUTHORIZING: (1) THE AGENCY'S ACCEPTANCE OF LAND IN LIEU OF REPAYMENT OF A LOAN; (2) A GROUND LEASE WITH MARIPOSA GARDENS II, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE AGENCY'S INTEREST IN LAND AT 2445

MARIPOSA STREET, FOR 55 YEARS WITH AN EXTENSION OPTION OF 20 YEARS; (3) A STANDBY PAYMENT AGREEMENT WITH MARIPOSA GARDENS II, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND CITIBANK, FSB, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,365,459, PLUS APPLICABLE INTEREST AND OTHER ASSOCIATED COSTS, TO GUARANTEE THE PAYMENT OF CERTAIN PRIVATE LOAN FUNDS; AND (4) RELATED DOCUMENTS WITH RELATED PARTIES FOR THE REHABILITATION OF 63 VERY LOW-INCOME FAMILY RENTAL UNITS AT THE MARIPOSA GARDENS APARTMENTS, 2445 MARIPOSA STREET, AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (f) Resolution No. 15-2004, Approving an operating budget not to exceed \$336,257 for the second year of the three-year Maintenance and Management Agreement with the Port of San Francisco, for the provision of maintenance and management services for Rincon Park; Rincon Point - South Beach Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 15-2004, APPROVING AN OPERATING BUDGET NOT TO EXCEED \$336,257 FOR THE SECOND YEAR OF THE THREE-YEAR MAINTENANCE AND MANAGEMENT AGREEMENT WITH THE PORT OF SAN FRANCISCO, FOR THE PROVISION OF MAINTENANCE AND MANAGEMENT SERVICES FOR RINCON PARK; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.

7. REPORT OF THE PRESIDENT

- President Romero stated he hoped that Commissioner Leroy King was listening to the radio broadcast of the meeting and wished him well and a quick recovery, and that he (Mr. King) was missed at the meeting.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen welcomed back Commission Yee and wished him a Happy New Year.
- Black History Month - complimented Sylvester McGuire for being the Agency's archivist of Black history and urged Commissioners and visitors to see the displays in the Agency offices.
- The February 25th joint public hearing for the Transbay EIS/EIR was cancelled due to a delay with the Federal Transit Agency's review of the EIS/EIR. Staff will inform the Commission when a new public hearing date is scheduled.
- The Agency's budget amendment for the current fiscal year State ERAF shift (approved by the Commission on December 2, 2003) that was scheduled before the Board of Supervisors' Budget Committee on February 5th was now scheduled either on February 12th or a special meeting on February 10th.
- Homeless cabinet meeting convened by Mayor Gavin Newsom in the morning (February 3rd) with 10 City department heads to work collaboratively to address the issue of homelessness in the City. The Agency looked forward to working with the Mayor's Office and the other City departments to expand efforts in developing affordable housing resources and addressing the City's homelessness crisis. Ms. Rosen stated

she would provide periodic updates to the Commission as the work progressed.

- Ms. Rosen added her best wishes to Commissioner Leroy King for a speedy recovery and shared that she spoke with Commissioner King, who was home and sounded energetic and was beginning to move about.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh wished Commissioner Leroy King well and a speedy recovery. Mr. Singh wished Commissioner Benny Yee "Gung Hay Fat Choy."
- Commissioner Yee wished everyone "Gung Hay Fat Choy," Happy Chinese New Year. Mr. Yee asked when the construction of the Plaza Apartments project was scheduled to start, because he felt that construction should have begun a few months ago, and asked what the reason for the delay was.

Executive Director Rosén stated that the demolition of the existing Plaza Hotel was scheduled in March 2004 with construction to commence thereafter. Ms. Rosen stated that staff did not believe the project was delayed and she would provide the Commission with the schedule of performance approved by the Commission.

- Commissioner Singh asked who were the 10 department heads in attendance at Mayor Newsom's Homeless Cabinet meeting. Mr. Singh recalled that the Mayor's Office of Homelessness had been dissolved and asked for an update.

Executive Director Rosen stated that department heads from the Department of

Public Works, Police Department, Sheriff, District Attorney, Housing Authority, Department of Public Health, Department of Human Services, Mayor's Office of Housing, Mayor's Office of Community Development, and Redevelopment Agency. Ms. Rosen added that Mr. Trent Rohrer, Executive Director of the Department of Human Services would oversee the new Homeless Cabinet. Ms. Rosen verified that Mayor Newsom had dissolved the Office of Homelessness, which was a coordinating body, and created the Homeless Cabinet to focus resources in addressing the issue. Ms. Rosen stated that she would provide the Commission with Mayor Newsom's announcement of the Homeless Cabinet.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Redevelopment Agency of the City and County of San Francisco v. Sarah Benton, et al., San Francisco County Superior Court, Case No. CGC 02-407994.

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcels 707-A, 726-A, 731-A, 749-C, 750-A, and a portion of Ellis Street, in the Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is Fillmore Properties LLC, a Delaware limited liability company. Agency negotiators: Marcia Rosen, Joanne Sakai, Tracie Reynolds, Don Capobres, and Denise Blades.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:51 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

February 17, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE

17TH DAY OF FEBRUARY 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of February 2004, at the place and date duly established for holding of such a meeting.

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President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

and the following were absent:

Leroy King

Marcia Rosen, Executive Director and staff members were also present.

Joanne Sakai, Deputy Executive Director for Community and Economic Development, was Acting Executive Director for the first portion of the Commission meeting.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

Closed Session meeting held on February 3, 2004

(a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Redevelopment Agency of the City and County of San Francisco v. Sarah Benton, et al., San Francisco County Superior Court, Case No. CGC 02-407994.

Acting Executive Director Joanne Sakai reported that on February 3, 2004, the Commission met in closed session on Agenda Item No. 10(a) and by a vote of six to zero with Commissioner Leroy King absent, the Commission authorized a settle of the existing case: San Francisco Redevelopment Agency v. Sarah Benton, et al., San Francisco Superior Court Case No. CGC 02-407994. The Commission authorized the Executive Director to execute a Settlement and Release Agreement on the following terms and conditions: (1) Jonathan Benton and Sarah Benton to execute deeds in favor of Agency and place them in escrow by February 10, 2004, (2) Jonathan Benton to vacate unit and turn over

keys by February 23, 2004, (3) Agency to deposit into escrow by February 28, 2004, \$49,000 payable jointly to the Bentons, (4) each side to execute mutual releases of all claims against the other, (5) each side to dismiss with prejudice all pending lawsuits, (6) Each side to bear its own attorneys fees and costs, and (7) the Settlement Agreement contains provisions for enforcement, should the Bentons breach the Settlement Agreement.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 3, 2004

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH, AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF FEBRUARY 3, 2004, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 16-2004, Authorizing a tax increment loan agreement not to exceed \$1,118,344 with Mission Housing Development Corporation, a California nonprofit public benefit corporation, for the predevelopment of 104 units of very low-income senior housing under a ground lease on Central Freeway Parcel C, southwest corner of Golden Gate Avenue and Franklin Street, Western Addition A-2 Redevelopment Project Area; Citywide Tax Increment Housing Program

Presenters: Tiffany Bohee (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Palamountain put forth a motion to adopt item 4 (b) and thanked Ms. Tiffany Bohee for her excellent presentation. Ms. Palamountain asked if the Department of Housing and Urban Development (HUD) had approved the Section 8 allocations for the project and requested clarification on the prioritization of the 104 units proposed for Parcel C.

Ms. Tiffany Bohee, Assistant Project Manager, explained that there would be a one-time occupancy priority for Valencia Gardens displaced seniors at initial lease-up for 38 units. The next priority would be for those with Federal preference, which is the highest priority of the Section 8 waitlist, and included Agency certificate holders who qualify as persons whom were involuntary displaced, and homeless persons. Ms. Bohee stated that the remaining 66 units, which were not project-based Section 8 units, would follow Agency standard practice of giving first priority to Agency certificate holders for Agency-funded affordable housing development.

Commissioner Palamountain requested staff to provide the same clarification on the priority for the units at a future Citizens' Advisory Committee (CAC) meeting in order to allay any concerns about preferences for the proposed senior housing units. Ms. Palamountain also asked staff to provide relevant information to the CAC consistent with Agency policy. Ms. Palamountain expressed her enthusiasm about the project, especially with the proposed "Café Plus" concept of a retail café and educational learning facility, as well as the proposed collaboration with the adjacent John Swett School to promote educational opportunities for the young students and quality of life for the future residents of Parcel C.

Commissioner Singh asked what the terms of the loan were for the proposed project, and requested information about any previous Agency loans to MHDC.

Ms. Bohee stated that the proposed predevelopment loan with MHDC was for a 55-year term with a three percent interest rate. Ms. Bohee stated that she did not have information about previous Agency loans to MHDC, but will obtain the

information and provide it to the Commission.

Commissioner Dunlop thanked staff for its hard work and stated that it was great to provide sorely needed affordable housing to seniors as well as homeless seniors. Mr. Dunlop stated that the "Café Plus" idea was wonderful, and seconded Commissioner Palamountain's motion to adopt item 4 (b).

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 16-2004, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT NOT TO EXCEED \$1,118,344 WITH MISSION HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PREDEVELOPMENT OF 104 UNITS OF VERY LOW-INCOME SENIOR HOUSING UNDER A GROUND LEASE ON CENTRAL FREEWAY PARCEL C, SOUTHWEST CORNER OF GOLDEN GATE AVENUE AND FRANKLIN STREET, WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (c) Resolution No. 17-2004, Authorizing a tax increment loan agreement not to exceed \$1,249,059 with A.F. Evans Company, Inc., a California corporation, and Chinatown Community Development Center, Inc., a California nonprofit public benefit corporation, for the predevelopment of 107 units of very low-income senior rental housing under a ground lease on Central Freeway Parcel A, southeast corner of Turk and Gough Streets, Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenters: Kate Hartley (Agency staff)

Speakers: John Melone, Mary Helen Rogers

Commissioner Singh requested more information about Mr. John Melone's testimony about the Homeless Seniors Task Force. Mr. Singh also asked if the Agency was involved with a development on 44

McAllister Street. Mr. Singh stated that he was in support of Mr. Melone's organization.

Executive Director Marcia Rosen stated that the Commission was aware of staff's intention to pursue every potential funding source and to work cooperatively with organizations such as the Homeless Seniors Task Force. Ms. Rosen stated she believed that staff had met with Mr. Melone or representatives of the Homeless Seniors Task Force and staff had consulted with the City's Department of Public Health and Department of Human Services in the development of Parcels A and C. Ms. Rosen stated that the Agency was not able to make more of a commitment to the Homeless Seniors Task Force other than staff would continue to look at every possibility to provide the much needed housing for homeless seniors and to work closely with City departments that have jurisdiction. Ms. Rosen informed the Commission that the Agency was not involved with 44 McAllister Street, which was an existing low-income housing development in which the City intended to master-lease a portion of the units for homeless seniors.

Commissioner Dunlop put forth a motion to adopt item 4 (c) and lent his support for the project. Mr. Dunlop complimented staff's hard work in its efforts to provide the much need housing for the City's seniors, including homeless seniors. Mr. Dunlop thanked Mr. John Melone for his interest and participation in the proposed senior housing projects.

Commissioner Sexton seconded Commissioner Dunlop's motion to adopt item 4 (c).

Commissioner Yee asked the Executive Director to respond to Mrs. Mary Rogers' concerns about the Western Addition A-2 Citizens' Advisory Committee (CAC) not receiving information in a timely manner.

Executive Director Rosen stated that the Agency's long-standing policy, consistent with the Brown Act, with respect to access to information was that documents did not become public documents until the Commission had received them. The problem with providing the Commission memorandum for the Parcel A to the CAC was simply a timing issue in that the CAC meeting was held on the day that the Agenda packet was being delivered to the Commission. Ms. Rosen

stated that staff continued to work closely with its citizens' advisory groups to provide all of the necessary information and answer as many questions as possible so that the Commission could make informed decisions.

President Romero stated that there had been frequent complaints particularly from the Western Addition, about staff not sharing information or not providing adequate notices, and since the Western Addition A-2 CAC was a newly established CAC, he wanted a structure in place that would record when information was provided to the CAC so that the Commission, hopefully would not hear similar complaints. Mr. Romero pointed out that he was not blaming anyone and encouraged a more productive relationship.

Commissioner Singh stated that staff should share as much information as possible with the CAC.

Executive Director Rosen stated that staff's intention was to have a meaningful relationship with all of the CACs and PACs, and in the case of the Western Addition CAC, there had been at least two meetings in which Agency staff and the prospective developers of Parcels A and C presented the proposed projects with ample opportunity for the CAC and members of the public to ask questions and raise concerns. Ms. Rosen stated that staff remained committed to keeping its citizens' advisory groups well informed and involved in the Agency's efforts.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 17-2004, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT NOT TO EXCEED \$1,249,059 WITH A.F. EVANS COMPANY, INC., A CALIFORNIA CORPORATION, AND CHINATOWN COMMUNITY DEVELOPMENT CENTER, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PREDEVELOPMENT OF 107 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING UNDER A GROUND LEASE ON CENTRAL FREEWAY PARCEL A, SOUTHEAST CORNER OF TURK AND GOUGH STREETS, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (d) Resolution No. 18-2004, Awarding contract RPSB 004-03 and Authorizing the execution of a construction contract with Angotti & Reilly, Inc., a California corporation, in an amount not to exceed \$5,932,414 for South Beach Park and Harbor Improvement Project (building and site improvements); Rincon Point - South Beach Redevelopment Project Area

Presenters: James Nybakken, Ted Maniatis (Agency staff)

Speakers: Herb Myer, Jeffrey Leibovitz, Roger Ladwig, Richard Forst, Nick

Tarlson

Commissioner Singh requested verification that the proposed contract was the biggest contract for Angotti and Reilly. Mr. Singh stated that the Agency should make sure that it awarded the contract to the best contractor to insure a great project. Mr. Singh asked that representatives of the contractor be introduced.

Mr. Ted Maniatis, Construction Coordinator, affirmed that the South Beach Park and Harbor Improvement contract was the biggest contract for Angotti and Reilly. Mr. Maniatis stated he agreed with Commissioner Singh that the contract was awarded to the best contractor, and that was why staff had done extensive reference checks before the bringing the contract before the Commission. Mr. Maniatis introduced members of the contractor.

Commissioner Singh put forth a motion to adopt item 4 (d).
Commissioner Dunlop seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 18-2004, AWARDING CONTRACT RPSB 004-03 AND AUTHORIZING THE EXECUTION OF A CONSTRUCTION CONTRACT WITH ANGOTTI & REILLY, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$5,932,414 FOR SOUTH BEACH PARK AND HARBOR IMPROVEMENT PROJECT (BUILDING AND SITE IMPROVEMENTS); RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (e) and 4 (f) were presented together and acted upon separately.

4 (e)Resolution No. 19-2004, Approving an operating budget for the Promotions Office for the Fillmore Jazz Preservation District, in an amount not to exceed \$296,380; Western Addition Redevelopment Project Area A-2

4 (f)Resolution No. 20-2004, Authorizing a First Amendment to the Personal Services Contract with Cultural ID, a sole proprietor, to modify contract administration provisions related to consulting services for the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2

Presenters: Don Capobres (Agency staff), Chris Esparza (Cultural ID)

Speakers: Mary Helen Rogers, Mary McCue, Thomas Reynolds, Jim

Larkin, Ace Washington, Perry Bennett, Steve Boyack, Ricardo

Escobar, Bobbie Webb, Caroline Ocampo

Commissioner Singh stated that the Farmers' Market was a wonderful event and shared that he was there on the first day and enjoyed the great produce. Mr. Singh asked how many vendors participated in the Farmers' Market. Mr. Singh suggested that the upper Fillmore Merchants Association put up signs on their storefronts to advertise the event. Mr. Singh asked how much the first year contract was for

Cultural ID and requested copy of the personal services contract so he could see the job description for the consultant. Mr. Singh recalled that the Agency gave over a million dollars to James Jefferson to develop a revitalization plan for the Fillmore and nothing came to fruition and hoped that the good work that Cultural ID had done would continue and produce positive results for the neighborhood. Mr. Singh put forth a motion to adopt item 4 (e).

Executive Director Rosen stated that the number of vendors varied from 20 to 30 with an average of 1,200 patrons visiting the market every week. Ms. Rosen stated that staff and the consultant were expecting more farmers from the Pacific Coast Farmers Association as well as the African-American Farmers Association to participate this year given the lead-time for the season. Cultural ID was also expecting a higher turnout of patrons from all over the City and the Bay Area.

Mr. Don Capobres, Senior Project Manager, stated that the first year contract for Cultural ID was \$75,000 with a five percent escalation built-in.

Executive Director Rosen stated that a copy of Cultural ID's contract would be provided to the Commission.

Commissioner Yee stated he was very pleased to see the success of the promotions office and shared that he had visited the area a few times and was impressed with the progress. Mr. Yee commended staff for its hard work as well as the merchants, and complimented Cultural ID for doing a good job. Mr. Yee shared that he knew how difficult it could be to promote a Farmers' Market because he was the chair of the Chinatown Night Market for the past five years, and stated he was confident that the Fillmore Farmers' Market was headed in the right direction with the right leadership. Mr. Yee asked staff for an estimate of when construction would begin for Parcel 732-A.

Executive Director Rosen stated that the Disposition and Development Agreement and ground lease for Parcel 732-A was scheduled to come before the Commission soon, but that it was safe to assume that the Farmers' Market would take place this summer and there would be ample time to plan for subsequent years.

Commissioner Yee asked how much the vendors paid to operate in the Farmers' Market and if the consultant expected other funds or revenue from additional operators. Mr. Yee asked if the consultant paid for health inspections and security for the Farmers' Market. Mr. Yee asked when the market was scheduled to start and at what times. Mr. Yee asked what the rent cost was for the 1,400 square-foot promotions office.

Mr. Chris Esparza of Cultural ID responded that the Farmers' Association paid a fee of \$4,000 plus \$500 for signage for the Farmers' Market. Mr. Esparza stated that additional revenue was expected from the anticipated increased number of vendors through the sales of booths. Mr. Esparza stated that the Farmers' Association paid for health inspections and insurance from dues paid by the vendors. Mr. Esparza stated that the promotions office worked with the Northern Police Station to provide police presence on Saturdays, but expected a more formal relationship with the Police Department as the market grew and anticipated a cost for the security in future years. Mr. Esparza stated that the Fillmore Farmers' Market was scheduled to be open from May 1st through the third week of November, from 9:00 in the morning to 1:00 in the afternoon.

Mr. Capobres stated that the office rent for the promotions office was \$25,200 for the first year.

Commissioner Yee seconded Commissioner Singh's motion to adopt item 4 (e).

Commissioner Palamountain thanked staff for providing the Commission with the hard numbers for the project. Ms. Palamountain stated it was good that the staff and consultant conducted a survey that showed a 12% increase in sales during the events and when compared to other communities that enjoyed between five and six percent increase in sales, that was a true indication of the success of the Fillmore Fridays and the Saturday Farmers' Market. Ms. Palamountain stated she was very impressed that 80% of the funds were spent in the Fillmore neighborhood and that \$16,000 of marketing cash was transformed into \$100,000 worth of promotion and marketing. Ms. Palamountain stated she was even more impressed with the first class quality of the events

including top-notched promotional materials and complimented Mr. Chris Esparza and Ms. Caroline Ocampo for their infectious enthusiasm about the events. Ms. Palamountain shared that she had seen Mr. Esparza at every event she attended and Mr. Esparza was always working the crowd and was relentless in promoting the Fillmore events. Ms. Palamountain thanked Cultural ID and staff for their diligence and commended the Western Addition community for their participation and fervent involvement. Ms. Palamountain stated she hoped that as the development of Parcel 732-A progressed, that the presence of the community and the wonderful events would not be lost.

President Romero thanked the public for coming to the meeting and congratulated the staff, consultant and the community for the success of the Fillmore Fridays and Saturday Farmers' Market. Mr. Romero stated it was good to see new faces and encouraged everyone to keep up the good work.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 19-2004, APPROVING AN OPERATING BUDGET FOR THE PROMOTIONS OFFICE FOR THE FILLMORE JAZZ PRESERVATION DISTRICT, IN AN AMOUNT NOT TO EXCEED \$296,380; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Commissioner Palamountain put forth a motion to adopt item 4 (f).

Commissioner Singh suggested that the upper Fillmore Merchants' Association get involved with the promotions office to help promote all areas of the Fillmore district. Mr. Singh seconded Commissioner Palamountain's motion to adopt item 4 (f).

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 20-2004, AUTHORIZING A FIRST AMENDMENT TO THE

PERSONAL SERVICES CONTRACT WITH CULTURAL ID, A SOLE PROPRIETOR, TO MODIFY CONTRACT ADMINISTRATION PROVISIONS RELATED TO CONSULTING SERVICES FOR THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (g) through 4 (j) were presented together and acted upon separately.

4 (g)Resolution No. 21-2004, Adopting environmental findings pursuant to the California Environmental Quality Act and State Guidelines in connection with amendments to the Mission Bay North Owner Participation Agreement, the Mission Bay South Owner Participation Agreement, and the Mission Bay South Design for Development; Mission Bay North and South Redevelopment Project Areas

4 (h)Resolution No. 22-2004, Authorizing a First Amendment to the Mission Bay North Owner Participation Agreement to provide for an additional 40 units of Agency sponsored affordable housing; to bring the marketing guidelines into conformance with federal fair housing laws; and to make technical corrections to the certificate of completion, transfer and subdivision mapping provisions; Mission Bay North Redevelopment Project Area

4 (i)Resolution No. 23-2004, Authorizing a First Amendment to the Mission Bay South Owner Participation Agreement to add 8,004 net sq. ft. of land acquired by Catellus within the South Plan Area into the OPA; to increase the amount of land to be contributed to the Agency for affordable housing by 3,854 sq. ft.; and to make technical corrections to the certificate of completion, transfer and subdivision mapping provisions; Mission Bay South Redevelopment Project Area

4 (j)Resolution No. 24-2004, Authorizing an amendment to the Mission Bay South Design for Development to allow a greater number of slimmer towers in the residential height zones, with no increase in maximum height, overall bulk, or number of units to be developed; to establish new requirements for setbacks around residential parks; and to establish new guidelines to assist in the implementation of these revised standards; Mission Bay South Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Commissioner Yee requested clarification on the rationale for Agency housing production at a density rate of 100 units per acre under the Owner Participation Agreement (OPA) with Catellus. Mr. Yee stated that in his opinion, the Agency had the opportunity to build higher density housing to address the shortage of affordable housing in the City.

Ms. Amy Neches, Senior Project Manager, explained that under the provisions of the redevelopment plan and the environmental analysis for Mission Bay, the overall density of Agency housing production was established at 90 units per acre plus 10%. That housing density was typical of low- to mid-rise housing developments that the Agency had undertaken and would achieve a balance of the total project area wide number of housing produced both by the Agency and Catellus. Ms. Neches stated that such density resulted in modest-size units with about 600 square feet for one-bedroom units, 700 to 800 square feet for two-bedroom units and about 1,000 square feet for three-bedroom units. Ms. Neches added that the typical Agency affordable housing project would be a Type 5 building with about five stories.

Commissioner Sexton thanked Ms. Neches for her excellent presentation, which answered a number of her questions. Ms. Sexton requested verification that the Addendum to the Final Subsequent Environmental Impact Report (FSEIR) only addressed those matters relating to the OPA and Design for Development amendments before the Commission. Ms. Sexton stated she assumed that the environmental findings in the Addendum to the FSEIR were typical findings and asked who prepared the environmental analysis and what the review process was.

Ms. Neches affirmed that the Addendum to the FSEIR focused the environmental analysis on the proposed amendments to the OPA and the Design for Development. Ms. Neches explained that the OPA amendments did not require additional environmental analysis because the nature of the amendments were not physical in nature, but staff thought it prudent to analyze both of the proposed amendments to the OPA and the Design for Development in a comprehensive manner. Ms.

Neches stated that the Addendum to the FSEIR was prepared by Turnstone Consulting, an environmental consulting firm to Catellus, and reviewed by the Planning Department's Major Environmental Analysis division. The Agency's planning division reviewed the document and Mr. Jose Campos, Agency Planning Supervisor, signed-off on the Addendum.

Commissioner Sexton requested that on future action items that relied on past technical analysis prior to Commissioners' tenure, that staff provide the Commission with relevant background information and as much notice as possible. Ms. Sexton put forth a motion to adopt item 4 (g).

Commissioner Palamounain seconded Commissioner Sexton's motion to adopt item 4 (g).

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. KING ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 21-2004, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND STATE GUIDELINES IN CONNECTION WITH AMENDMENTS TO THE MISSION BAY NORTH OWNER PARTICIPATION AGREEMENT, THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT, AND THE MISSION BAY SOUTH DESIGN FOR DEVELOPMENT; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. KING ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 22-2004, AUTHORIZING A FIRST AMENDMENT TO THE MISSION BAY NORTH OWNER PARTICIPATION AGREEMENT TO PROVIDE FOR AN ADDITIONAL 40 UNITS OF AGENCY SPONSORED AFFORDABLE HOUSING; TO BRING THE MARKETING GUIDELINES INTO CONFORMANCE WITH FEDERAL FAIR HOUSING LAWS; AND TO MAKE TECHNICAL CORRECTIONS TO THE CERTIFICATE OF COMPLETION, TRANSFER AND SUBDIVISION MAPPING PROVISIONS; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. KING ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 23-2004, AUTHORIZING A FIRST AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT TO ADD 8,004 NET SQ. FT. OF LAND ACQUIRED BY CATELLUS WITHIN THE SOUTH PLAN AREA INTO THE OPA; TO INCREASE THE AMOUNT OF LAND TO BE CONTRIBUTED TO THE AGENCY FOR AFFORDABLE HOUSING BY 3,854 SQ. FT.; AND TO MAKE TECHNICAL CORRECTIONS TO THE CERTIFICATE OF COMPLETION, TRANSFER AND SUBDIVISION MAPPING PROVISIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. KING ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 24-2004, AUTHORIZING AN AMENDMENT TO THE MISSION BAY SOUTH DESIGN FOR DEVELOPMENT TO ALLOW A GREATER NUMBER OF SLIMMER TOWERS IN THE RESIDENTIAL HEIGHT ZONES, WITH NO INCREASE IN MAXIMUM HEIGHT, OVERALL BULK, OR NUMBER OF UNITS TO BE DEVELOPED; TO ESTABLISH NEW REQUIREMENTS FOR STEPBACKS AROUND RESIDENTIAL PARKS; AND TO ESTABLISH NEW GUIDELINES TO ASSIST IN THE IMPLEMENTATION OF THESE REVISED STANDARDS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (k) Resolution No. 25-2004, Adopting environmental findings pursuant to the California Environmental Quality Act and Approving the Block 8-10a Major Phase Submission in the Mission Bay South Redevelopment Project Area pursuant to an Owner Participation Agreement with Catellus Development Corporation; Mission Bay South Redevelopment Project Area

Presenters: Tiffany Bohee (Agency staff), Amy Coburn (Catellus)

Commissioner Palamountain inquired about parcel X-2 and asked who the owner was and if the parcel's development was subject to the Redevelopment Plan and the Design for Development. Ms. Palamountain requested an explanation of the proposed location of towers facing the Mission Bay Commons open space.

Ms. Tiffany Bohee, Assistant Project Manager, stated that Parcel X-2 was owned by Bill Potter and his brother and the development of the parcel was subject to the Redevelopment Plan and the Design for Development. Ms. Bohee added that Mr. Potter had been in discussion with Catellus about the development of Parcel X-2. Ms. Bohee stated that the rationale for locating towers across Mission Bay Commons was to create a grouping of towers across Mission Bay Commons along Mission Bay Boulevard North, a wide broad street. The other streets to the north and east of Block 10 were small, narrow neighborhood streets that were adjacent to the Agency's affordable housing parcels on Blocks 9 and 9a. Locating a tower on the northeast corner of Block 10 would create shadows on the Agency affordable housing parcels and create a sense of a looming tower on these small neighborhood streets, blocking out light and air. Ms. Bohee added that the towers along Mission Bay Boulevard North would not cast shadows on Mission Bay Commons because they were located on the north side of the park.

Commissioner Palamountain put forth a motion to adopt item 4 (k). Commissioner Sexton seconded the motion.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. KING ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 25-2004, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING THE BLOCK 8-10A MAJOR PHASE SUBMISSION IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (l) Workshop on the staff's recommended implementation of SB 2113

Presenters: Jose Campos (Agency staff)

Commissioner Palamountain stated that in general, she was in support of the 2004/2005 SB 2113 plan amendments, but wanted to see more numbers for the 2006/2007 and 2009/2010 plan amendments with respect to funding resources. Ms. Palamountain expressed concerns about the proposed Yerba Buena Center plan amendment in 2009/2010 because in her view, Yerba Buena Center among all other project areas, had not produced its share of affordable housing. Ms. Palamountain stated she was concerned that the significant work to be done in the Western Addition may not be accomplished by 2006/2007. Ms. Palamountain stated she would like to have additional analysis of affordable housing funding and that she would be looking at Yerba Buena Center in particular with respect to the use of generated tax increment revenue for affordable housing.

Commissioner Yee asked staff to refresh his memory about when SB 2113 was enacted and its specific purpose as well as the amount of tax increment dollars it would generate.

Mr. Jose Campos, Planning Supervisor, stated that the State Legislature approved passage of SB 2113 in 2001 and it was intended to help San Francisco replace low-income housing units that were lost prior to 1976.

Executive Director Rosen stated that the additional ten-year tax increment authority was estimated to generate approximately \$168 million for the purpose of developing affordable housing in San Francisco.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Romero reported that he had appointed Commissioner Dunlop as his designee to sit on the Board of Directors of the Public Initiatives Development Corporation (PIDC) along with Commissioner Palamountain who already sits on the PIDC Board of Directors.

8. REPORT OF THE EXECUTIVE DIRECTOR

- PIDC Board of Directors meeting on February 24th at 5:00 p.m. in the Agency offices.
- San Francisco Housing Development Corporation's Gala 15th Anniversary Dinner on February 25th at 5:30 p.m. at the West Bay Conference Center, where Commissioner Leroy King was one of the evening's honoree. Ms. Rosen congratulated Commissioner King.
- Maria Manor Grand Re-Opening celebration on February 26th at 11:00 a.m., 174 Ellis Street.
- Board of Supervisors Budget Committee meeting to consider the Agency's 2003/2004 budget amendment had been rescheduled to February 26th.
- Board of Supervisors meeting on March 9th to consider approval of the Mariposa Apartments ground lease.
- Bayview PAC meeting on February 19th, from 6:00 to 8:00 p.m. at the Southeast Community Facility, to discuss the proposed Bayview Hunters Point Redevelopment Plan.

- Bayview Town Center Block Master Plan Workshop #2 on February 23rd, from 6:00 to 8:00 p.m. at the Bayview Opera House.
- Community workshop regarding Housing Authority projects in Bayview Hunters on February 24th, from 6:00 to 8:00 p.m. at the Southeast Community Facility.
- Ed Ong, Architecture and Engineering Supervisor, would be sworn in as an American Institute of Architects (AIA) Fellow at the annual AIA meeting in Chicago, June 2004.
- Harold Yee, President of Asian Inc. passed away two weeks ago. Ms. Rosen suggested that the Commission meeting be adjourned in Mr. Yee's memory.

President Romero agreed that the Commission meeting should be adjourned in memory of Mr. Harold Yee.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION:

(a) Pursuant to Government § Section 54956.9(a): Conference with Legal Counsel regarding litigation: Song, et al. v. Jin Construction and Electric Co., et al., U.S. District Court Case Number: C 03 2580 SI

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcel 732-A located on Fillmore Street, between Ellis and Eddy Streets, Western Addition Redevelopment Project Area A-2 and the party with whom the

Agency may negotiate is Fillmore Development Associates. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Tracie Reynolds, Shirley Wysinger and Ricky Tijani.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:03 p.m. The February 17, 2004 Commission meeting was adjourned in memory of Harold Yee.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

March 02, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE

2ND DAY OF MARCH 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of March 2004, at the place and date duly established for holding of such a meeting.

5
/04
President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

and the following were absent:

Leroy King

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

Closed Session meeting held on February 17, 2004

(a) Pursuant to Government Code § 54956.9(a): Conference with Legal Counsel regarding litigation: Song, et al. v. Jin Construction and Electric Co., et al., U.S. District Court Case Number: C 03 2580 SI

Executive Director Marcia Rosen reported that on February 17, 2004, the Commission met in closed session on Agenda Item No. 10(a) and by a vote of four to zero (Commissioners Mark Dunlop, Leroy King and Michelle W. Sexton being absent), the Commission authorized a settlement of the existing case: Song, et al. v. Jin Construction and Electric Co., et al., U.S. District Court Case No. C 03 2580 SI. Defendant Jin Construction was an electrical subcontractor working on several public and private projects in the City including the Delta Hotel project that was sponsored by the Agency. Plaintiffs were five former employees for defendant who filed stop notices against the Delta Hotel project claiming they were owed back wages from Jin Construction. At the time of the stop notices, the Agency was holding \$72,300 in retention. Plaintiffs brought suit seeking, amongst other things, a court order that the \$72,300 held by the Agency be paid to plaintiffs in satisfaction of their wage claims. The Agency was named as a stakeholder and no allegations of misconduct were alleged against the Agency. The Commission authorized the Executive director to execute a

Settlement and Release Agreement on the following terms and conditions: (1) Agency to pay plaintiffs \$72,300 in full and final settlement of all claims, (2) all parties to execute mutual releases of all claims against the other, (3) each side to dismiss with prejudice all pending lawsuits, and (4) each side to bear its own attorneys fees and costs.

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of February 17, 2004

4 (b) Resolution No. 26-2004, Authorizing a First Amendment to the ground lease with AR Preservation, L.P., a California limited partnership, to revise the schedule of performance for the rehabilitation of 179 units of very low-income housing at the Alexander Residence, 230 Eddy Street as part of the Agency's Housing Preservation Program; Citywide Tax Increment Affordable Housing Program

Two members of the public filled out speaker cards to address the Commission on item 4 (b). President Romero ruled that consent agenda item 4 (b) be withdrawn from the consent agenda and the Commission vote first on consent agenda item 4 (a) followed by a staff presentation for item 4 (b) so that the Commission could hear public testimony on the matter.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT

CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF
FEBRUARY 17, 2004, BE ADOPTED.

Presenters: Kate Hartley (Agency staff)

Speakers: John Nulty, Michael Nulty

Commissioner Palamountain put forth a motion to adopt item 4 (b).

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (b). Mr. Dunlop requested clarification that the extension would not cause disruption to the tenants' lives and asked staff to respond to the public comment.

Ms. Kate Hartley, Development Specialist, stated it was expected that there would be difficulty with the major rehabilitation of a 12-story building with 179 units as well as disruption on the residents. Ms. Hartley stated that the Tenderloin Neighborhood Development Corporation (TNDC) worked very hard and continued to work closely with the residents throughout the construction period and Agency staff was very sympathetic to the tenants' concerns and wished that the construction would be finished by now. Ms. Hartley explained that there was an initial delay of the construction and the requested extension was to help wrap-up the construction work. Ms. Hartley added that the tenants association was very active from the outset during the acquisition process, but staff had not received any request for additional tenants assistance and urged representatives of the tenants association to contact her so that appropriate assistance could be provided.

Commissioner Dunlop requested verification about residents reportedly dying due to construction activities and asked staff to provide a report on TNDC's efforts to assist the tenants at the Alexander Residence, and acknowledged the good work and reputation of TNDC in all of its projects.

Ms. Hartley stated staff was certain that there were no deaths related to accidents due to construction activities and added that great care was taken to accommodate the tenants needs during the construction, which involve major work on all of the units, the common areas and replacement of major structural systems.

Commissioner Singh asked when the construction was estimated to be completed.

Ms. Hartley responded that the construction work was scheduled to be significantly completed in June 2004 with all of the tenants moved back in.

President Romero requested verification that the delay in the completion of the project was due more to delays that occurred prior to the start of the rehabilitation work, but once the construction work started, the renovation had been on schedule. Mr. Romero stated he had not heard anything during the discussion that there were delays in the construction work or that TNDC had done anything improper in assisting the tenants. Mr. Romero lent his support for the extension.

Ms. Hartley affirmed that there was a delay in the start of construction, but that the construction work was on schedule and added that typical of major rehabilitation projects, the Alexander encountered unforeseen problems that were handled successfully.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (b) RESOLUTION NO. 26-2004, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH AR PRESERVATION, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 179 UNITS OF VERY LOW-INCOME HOUSING AT THE ALEXANDER RESIDENCE, 230 EDDY STREET AS PART OF THE AGENCY'S HOUSING PRESERVATION PROGRAM; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (c) Workshop on the Agency's fiscal year 2004/05 Budget

Presenters: Mario Menchini, Amy Neches, Don Capobres, Stan Muraoka,
William Carney, Shirley Wysinger, Jose Campos, Olson Lee (Agency staff)

Speakers: Juan Monsanto

Commissioner Palamountain stated that one of the contingencies for the Agency's 2004/2005 budget was the passage of SB2113 plan amendments, which would require the City to approve a Housing Element, and asked if the budget contingencies did not come to pass, what the budget process was and would the Commission have an opportunity to take a second look at the Agency's spending priorities.

Executive Director Marcia Rosen stated that of course, the Commission could revisit the budget at its discretion. The Commission would be asked to review and authorize submittal of the Agency's proposed budget to the Mayor's Budget Office at its next meeting, but the budget would not be submitted to the Board of Supervisors until June. Ms. Rosen stated that Mr. Olson Lee's presentation was to demonstrate staff's attempt to prioritize the Agency's spending with the anticipated additional \$15 million, which would be citywide tax increment funds, and without the \$15 million, the priorities would be focused on the Agency's obligations to purchase parcels on Octavia Boulevard for affordable housing development that would meet citywide needs for new affordable housing. Ms. Rosen stated the Agency would be able to initiate the SB2113 plan amendment process, but would be prohibited from creating indebtedness pursuant to the amendments until the State Department of Housing and Community Development had found that San Francisco had a Housing Element in substantial compliance with State law. Ms. Rosen explained that because the Agency would not be issuing debt until the end of next fiscal year, in May 2005, there was sufficient time to complete the SB2113 plan amendments and submit the City's revised Housing Element to the State Department of Housing and Community Development, but should the Commission want to revisit the Agency's proposed budget, that was the Commission's prerogative.

Commissioner Palamountain stated she would want to revisit budget priorities should the SB2113 plan amendments not occur and would look at anticipated State budget reductions affecting San Francisco not only for 2004 and 2005, but future years that would cause her to look at changing the Agency's spending priorities. Ms. Palamountain thanked the Executive Director for providing the budget two weeks in advance and thanked staff for its succinct presentations. Ms. Palamountain asked if the CALPERS expenditure was in the administration or personnel budget. Ms. Palamountain stated she was concerned that the Agency's administration budget seemed to be going up and not down in particular, project areas with disproportionately higher personnel and administration budgets than the work program funding.

Executive Director Rosen responded that the CALPERS expenditure was part of the personnel budget, which was not included in the budget materials provided to the Commission as that was a matter to be discussed at the Closed Session later in the meeting. Ms. Rosen pointed out that because of the long-term nature of the Agency's work program activities, some of the time spent by staff was on funds previously allocated in other budget years, so the proposed allocations for fiscal year 2004/2005 would not be the only program dollars that staff would be administering and the actual scope of staff's work activities included a larger dollar amount than what was proposed in the 2004/2005 budget because staff was administering program funds from prior budget years.

Commissioner Palamountain shared her preliminary concerns about the proposed budget as follows:

- Hunters Point Shipyard: Believed this was the time to invest in planning for the area and community outreach and supported the \$50,000 funding request for community participation.
- India Basin Industrial Park: Asked why there was programming for an economic development program when a SB2113 plan amendment was proposed that would obligate the Agency to spend the additional tax increment authority on affordable housing development.
- South of Market: Supported cutting of proposed \$700,000 for the SRO rehabilitation program.

- Yerba Buena Center:

- Would like a more specific description of proposed capital improvements for the proposed \$6 million request.
 - A report on the Agency's legal obligations to fund museums at the budgeted level for '04-'05.
 - Asked if there was any chance of deferring funding commitments to two of the YBC museums (Jewish & Mexican) that have been reported to have financing difficulties and may not be built in the near future.
-
- Mid-Market Survey Area: Asked if there would be Mello-Roos funds available for the Special Use District streetscape project? Would like more information about the streetscape project and an evaluation of how streetscape improvements have been effective in bringing economic development/revitalization to an area.

Executive Director Rosen stated that the proposed economic development program for India Basin may be anticipated prior to the SB2113 plan amendment, but would provide more information to the Commission. Ms. Rosen explained that there would be no Mello-Roos financing for the Special Use District for the Mid-Market Streetscape Project, which was a Planning Code zoning overlay.

Commissioner Dunlop thanked staff for the hard work on the budget during the difficult economic times and asked what would happen if there was a legal challenge to the State-required Housing Element as part of the SB2113 plan amendments.

Executive Director Rosen stated she believed that the City's Housing Element had to be free of legal challenges for it to be submitted to the State.

General Counsel James B. Morales added that any legal challenge would have to request an injunction in order to stop the Housing Element from taking effect.

Commissioner Dunlop asked if the \$700,000 Single Room Occupancy (SRO) funding was for ground leases.

Executive Director Rosen stated that the \$700,000 was for the SRO Rehabilitation Program previously adopted by the Commission to make funds available for private owners to address quality of life issues for the SRO hotels.

Commissioner Dunlop suggested the following ideas:

- Merging of project areas
- Slowing the pace of costly projects
- Project Area Committees (PAC) to take commensurate budget cuts as the Agency
- Insure leveraging of Agency funds with other City departments, developers and property owners.

Commissioner Dunlop inquired if property/business owners paid for Agency-sponsored services such as street cleaning and asked staff to look at such ideas to help defray public costs.

Commissioner Sexton thanked and complimented staff for the excellent presentations on the budget. Ms. Sexton stated she had similar questions as Commissioner Palamountain with regard to Yerba Buena Center in particular, the Center for the Arts and the Gardens proposed capital repairs of \$5.6 million and property maintenance costs, both of which seemed very high and requested specific descriptions of the capital repairs. Ms. Sexton recalled reading newspaper articles about the status of two of the Yerba Buena Center museums and asked staff to look closely at the Agency's contributions and the possibility of shifting those costs to help trim the Agency's budget. Ms. Sexton inquired about the Citywide Housing Program and asked if the \$43.9 million in Housing Production and Assistance were all bond proceeds and requested a breakdown of how the funds were proposed to be expended by project area. Ms. Sexton asked if the 65% figure of general fund contribution was a steady percentage or if it changed from year to year.

Executive Director Rosen stated that the Agency's housing program with the exception of the HOPWA program, was funded by bond proceeds, with some specific to project areas and others citywide. Ms. Rosen stated that the \$43.9 million in housing production were all bond proceeds, except for the Rincon Point – South Beach and Mission Bay project areas, which were on a "pay-as-you-go" basis. Ms. Rosen stated that the Agency used the 65% figure for what the general fund impact would be, and the remaining 35% was made up by the

other taxing agencies.

President Romero thanked staff for its hard work on the budget and commended them for the concise presentations. Mr. Romero informed the public that the Commission would be considering approval of the 2004/2005 budget at its March 16th meeting.

4 (d) Resolution No. 27-2004, Conditionally Approving the Amended Combined Basic Concept and Schematic Design for Parcel 2 of Block N3a, a 98-unit residential project in the Mission Bay North Redevelopment Project Area, pursuant to an Owner Participation Agreement with Catellus Development Corporation; Mission Bay North Redevelopment Project Area

Presenters: Tiffany Bohee (Agency staff), Richard Stacy (Architect), Ingrid

Leibald (Landscape Architect)

Commissioner Dunlop put forth a motion to adopt item 4 (d) and remarked that the design was very attractive and the bamboo trees were a nice touch. Mr. Dunlop stated it seemed that the affordable housing production in Mission Bay was slightly behind with the current production at 306 units compared to the 384-unit or 20% goal and recognized that housing production was a catch-up game of sorts, but that it was not right for the affordable housing component to always lag behind.

Ms. Amy Neches, Senior Project Manager, explained that the housing projects that were under construction or completed, the Agency was actually ahead of its affordable housing production goal in Mission Bay. At the present time, 1,218 units were either completed or under construction of which, 287 were affordable units, which represented 24% affordable units, putting the Agency slightly ahead of its 20% goal. Ms. Neches added that when Mission Bay North was completed, the Agency's goal of 20% affordable housing production would be achieved.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (d).

Commissioner Yee asked if Catellus was required to complete its housing production by a certain time period.

Ms. Tiffany Bohee, Assistant Project Manager, stated that the Agency had no control over the timing of Catellus' construction and added that the Owner Participation Agreement between the Agency and Catellus was crafted to facilitate the housing production, subject to the market conditions.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 27-2004, CONDITIONALLY APPROVING THE AMENDED COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR PARCEL 2 OF BLOCK N3A, A 98-UNIT RESIDENTIAL PROJECT IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (e) and 4 (f) were presented together and acted upon separately.

4 (e) Resolution No. 28-2004, Authorizing a Housing Opportunities for Persons With AIDS Capital Loan Agreement with Mercy Housing West, a California nonprofit corporation, in an amount not to exceed \$631,214 for the rehabilitation of 68 very low-income rental units at the Derek Silva Community Residence, 1580-1598 Market Street

4 (f) Resolution No. 29-2004, Authorizing a First Amendment to the ground lease with Mercy Housing California XVII, a California limited partnership, to clarify the annual rental payments, for the Derek Silva Community, 1580-1598 Market Street

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Dunlop thanked Ms. Elizabeth Colomello for her presentation and stated that the need for low-cost housing for people living with AIDS was obvious and thanked staff for its hard work on Derek Silva as he had not heard any complaints. Mr. Dunlop put forth a motion to adopt item 4 (e).

Commissioner Sexton seconded Commissioner Dunlop's motion to adopt item 4 (e).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 28-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT WITH MERCY HOUSING WEST, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$631,214 FOR THE REHABILITATION OF 68 VERY LOW-INCOME RENTAL UNITS AT THE DEREK SILVA COMMUNITY RESIDENCE, 1580-1598 MARKET STREET, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 29-2004, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE WITH MERCY HOUSING CALIFORNIA XVII, A CALIFORNIA LIMITED PARTNERSHIP, TO CLARIFY THE ANNUAL RENTAL PAYMENTS, FOR THE DEREK SILVA COMMUNITY, 1580-1598 MARKET STREET, BE ADOPTED.

4 (g) Resolution No. 30-2004, Authorizing an Amended and Restated Disposition and Development Agreement and a First Amendment to the Regulatory and Grant Agreement with the Japanese American Religious Federation Assisted Living Facility, Inc., a California non-profit public benefit corporation, to increase the grant by an amount not to exceed \$1,267,865 for a total aggregate amount of \$4,026,151, in conjunction with the development of a 54-unit senior assisted living facility, 1881 Bush Street; Western Addition Redevelopment Project Area A-2

Presenters: Judy Eng (Agency staff), Steve Suzuki (Kokoro)

Speakers: Matthew Kamiya (read letter from Rev. Peter Yuichi Clark),

Sister Judy Rimbey, Dr. Patricia Shiono, Joseph Omachi, Diane Nagura, Judy Nakaso, Laura Takeuchi, Hiroshi Fukuda, Mrs. Sydney Nakamura, Vickie Ina, Sharon Kotabe, Rev. Richard Grange, Jeffrey Cheifetz, Teresa Ono, Emiko Tom

Commissioner Singh shared that he attended the Kokoro open house and stated that it was a lovely facility and that he was told that the word Kokoro stood for heart, mind and spirit. Mr. Singh remarked that was a beautiful name for a beautiful place. Mr. Singh put forth a motion to adopt item 4 (g).

Commissioner Dunlop thanked the public for the extremely moving testimony and stated that the internment of American citizens during World War II was a very unfortunate time in our country's history. Mr. Dunlop stated he would support the grant request, but wanted assurance that this would be the last funding request for Kokoro. Mr. Dunlop inquired about the occupancy of the building and asked when it was expected to be fully occupied.

Mr. Steve Suzuki of Kokoro, stated he was confident that this would be the last funding request for Kokoro because the construction had been completed and the building's operation was up and running and the units were being filled. Mr. Suzuki added that all of the construction obstacles had been addressed and with a one-year delay in the start of construction, they were very happy to have finally completed the construction. Mr. Suzuki thanked the Commission for its continuing support and assured that this was going to be the last funding request, which would help Kokoro close out its financing for the project. Mr. Suzuki explained that since Kokoro opened last fall, 50% of the units had been occupied, so they were slightly ahead of schedule. Mr. Suzuki added that unlike traditional housing, filling of assisted-care units required a lot more coordination with prospective residents and to insure that adequate staff was in place in order to provide the appropriate level of care and service.

Commissioner Dunlop recalled that one of his first tour as an Agency Commissioner was the old temple, which was in real bad structural shape and it was amazing to see the beautifully renovated space. Mr. Dunlop stated he would like to tour the renovated facility and seconded Commissioner Singh's motion to adopt item 4 (g).

Commissioner Palamountain stated there was no question that Kokoro served an important need for the San Francisco community, but like Commissioner Dunlop, she had the same concern with future requests for funding, so she was glad to hear Mr. Suzuki's assurance that this was going to be the last funding request for Kokoro. Ms. Palamountain stated she was impressed with the board's fundraising efforts to raise over \$3 million, and thanked Agency staff for its hard work on the project. Ms. Palamountain stated in Japanese, that Kokoro was a strong and resilient organization and wished them the best of luck.

Commissioner Sexton thanked Ms. Judy Eng for a great staff report and asked what the goals were for occupancy of the project and the timeline required under the Disposition and Development Agreement (DDA).

Ms. Judy Eng, Senior Development Specialist, stated that the project was to be stabilized at year three with a 95% occupancy pursuant to the DDA, and at present, 32 of the 61 units were occupied, which puts them at a 50.5% occupancy since Kokoro opened in October 2003. Ms. Eng stated that there was an 18-month "ramp-up" for the occupancy of the units in order to hire experienced staff to service all of the residents at full occupancy, and believed that Kokoro would meet its 18-month goal for 95% occupancy.

Commissioner Sexton asked if there was a waiting list and if so, how many people were on it. Ms. Sexton inquired about the occupancy of the restricted units and noted that there were four more individuals with incomes at 50% of Area Median Income (AMI) beyond the seven 50% AMI restricted units, which was good, but asked if the revenue stream was impacted, given that the individuals were occupying units restricted for people with incomes at 60% AMI.

Ms. Grace Komosaka, Kokoro's Executive Director, stated that they had a contact list of about 300 people, but not a waiting list as that was premature at this time because the first priority for occupancy was the income requirements, which would have to be satisfied first in accordance with the DDA. Ms. Komosaka stated that the revenue stream was not impacted because a family gift subsidy was provided for each of the four individuals with incomes at 50% AMI, which were renting units designated at 60% AMI. Ms. Komosaka added that most of the seniors' incomes were at 50% AMI and Kokoro offered them units at the next income level with family gift subsidies to make up the difference in the rents.

Commissioner Sexton stated that Kokoro was a beautiful project and recalled many inquiries to the Commission about the need for assisted and congregate care senior housing and recognized the importance of Kokoro to the community. Ms. Sexton stated that the Agency should insure that such facilities were opened and available to everyone in the broader community of San Francisco.

Ms. Eng informed the Commission that the DDA required that all of the units in Kokoro be open and available to everyone, with priority to Agency certificate holders.

President Romero recalled when he toured the old temple building and thought at the time that it was in bad shape and very dangerous. Mr. Romero stated that Kokoro had accomplished two very significant things, one is the successful rehabilitation of a landmark historic building and Kokoro's significant efforts to keep the rehabilitation costs as low as possible, and recalled many other Agency projects that required additional funding. Mr. Romero congratulated Kokoro for providing a facility that would provide great benefits to San Francisco in that it would become a repository of history and experience from its residents. Mr. Romero stated that there was a lot of wisdom to be learned from the residents' testimonies and thanked them for their participation.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 30-2004, AUTHORIZING AN AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT AND A FIRST AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH THE

JAPANESE AMERICAN RELIGIOUS FEDERATION ASSISTED LIVING FACILITY, INC., A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT BY AN AMOUNT NOT TO EXCEED \$1,267,865 FOR A TOTAL AGGREGATE AMOUNT OF \$4,026,151, IN CONJUNCTION WITH THE DEVELOPMENT OF A 54-UNIT SENIOR ASSISTED LIVING FACILITY, 1881 BUSH STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Manny Flores, Jr., Michael Johnson

7. REPORT OF THE PRESIDENT

- President Romero wished Commissioner Leroy King continued speedy recovery.
- President Romero reminded Commissioners to complete their Statements of Economic Interests, due by April 1st.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Board of Supervisors Budget Committee approved the Agency's current fiscal year budget amendment and the refunding of bonds that would yield \$10 million of additional funding. The matter was scheduled to be heard

by the full Board of Supervisors on March 9th.

- Mariposa Gardens ground lease to be considered by the full Board of Supervisors on March 9th.
- Mission Creek Senior Community project had been selected as a finalist for the San Francisco Business Times award for community impact.
- In response to public testimony from Mr. Manny Flores regarding 1600 Webster Street, staff received a letter from the developer of 1600 Webster Street after staff had inquired about their failure to submit certified payrolls in compliance with the Owner Participation Agreement. The letter indicated their intent to fully comply and delivered a large packet of certified payrolls, which were being reviewed by contract compliance staff. The Commission would be kept informed of staff's evaluation of the payrolls.
- Informational memorandum regarding U.S. Navy radiological surveys on Parcel A in the Hunters Point Shipyard.

9. **COMMISSIONERS' QUESTIONS AND MATTERS** None.

10. **CLOSED SESSION:**

(a) Pursuant to Government Code § 54957.6 to instruct Agency designated representatives to negotiate with San Francisco Redevelopment Employee Association (Professional/ Technical Unit), Service Employees International Union (SEIU) Local 790, and International Federation of Professional and Technical Engineers (IFPTE) Local 21. Agency negotiators: Marcia Rosen, Ayisha Benham, James B. Morales, and Ora Meacham.

(b) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

(c) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcel 732-A located on Fillmore Street, between Ellis and Eddy Streets, Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is Fillmore Development Associates. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Tracie Reynolds, Shirley Wysinger and Ricky Tijani.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:43 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

March 16, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF MARCH 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of March 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Darshan Singh

Benny Y. Yee

and the following were absent:

Michelle W. Sexton

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of March 2, 2004

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. KING ABSTAINING AND MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 2, 2004, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 31-2004, Approving the proposed Budget for the period July 1, 2004 through June 30, 2005 and Authorizing the Executive Director to submit the Budget to the Mayor's Office

Presenters: Mario Menchini (Agency staff)

Speakers: John Elberling, Rev. Arnold Townsend

Commissioner Dunlop put forth a motion to adopt item 4 (b) and thanked staff for its hard work on an extremely difficult budget year. Mr. Dunlop recalled Mr. John Elberling's public comment that no other project area other than the South of Market had proposed eliminating dedicated support staff, and asked if that was accurate and if there were project areas with dedicated staff assigned to them. Mr. Dunlop asked if South of Market would be left without sufficient staff support and requested clarification that the proposed staff reduction was not a layoff.

Executive Director Marcia Rosen stated that the South of Market project area was the only project area with a staff associate position solely dedicated to it, which was a temporary position. Ms. Rosen assured the Commission that there would be staff assigned to assist with the South of Market project area just as with the other project areas. The staff associate position was for a two-year assignment and had lasted over three years, but there no longer was funding to support the position, so the temporary staff associate position was not being renewed.

Commissioner Dunlop recalled Rev. Arnold Townsend's public comment that the Western Addition Citizens' Advisory Committee (CAC) did not receive copies of the full budget and asked when the proposed budget was made public, and if Agency staff sent the budget to other Project Area Committees (PAC) and CACs.

Executive Director Rosen responded that the proposed budget was publicly available when it was sent to the Commission for its March 2nd meeting when

the budget workshop was held. The March 2nd agenda packet containing the proposed budget was also sent to the chair of the CAC and Ms. Rosen stated she regretted that copies were not provided to the CAC members, but there was ample notice of the availability of the proposed budget, both on the agenda and the Agency's web site. Ms. Rosen stated that the Agency's project management staff had a practice of providing relevant information, including budgets, to the respective PACs and CACs.

Commissioner Palamountain stated she had follow-up questions about her previous requests for clarification on the proposed budget, beginning with the Transbay budget on page 74 of the proposed budget. Ms. Palamountain noted that the planning work program for Transbay would require \$500,000 that would be paid with prior year appropriations with a proposed personnel and administration costs of \$441,000, and asked for an explanation of the disparity between the work program and personnel/administration costs.

Executive Director Rosen stated that most of the planning activities were completed, but the redevelopment plan for the Transbay Survey Area had not yet been adopted and there still remained other planning and urban design work tasks to be completed for which existing funds were available. It was anticipated that there would be a need for staffing to bring the project to implementation after plan adoption. The personnel figures were based on the personnel and overhead costs in the current budget and the actual cost would likely be less than that, but staff would not know the exact costs until the plan is implemented and the workload was identified and coordination with the Joint Powers Authority and other City departments was determined. Ms. Rosen stated that staff had been in discussion with the Mayor's Budget Office about additional staffing needs for Transbay and staff was also looking at other revenue sources. Ms. Rosen added that there was still a fair amount of negotiations and transactional work tasks to be completed in preparation for plan adoption and implementation.

Commissioner Palamountain stated that although she disagreed with many of Mr. John Elberling's comments, she did agree that it was extraordinarily unlikely that the Agency could get three redevelopment plans for the survey areas adopted by the next fiscal year, and given that the survey areas were not generating tax increment revenues, she wanted to keep the administrative and personnel expenses at a level that would allow the Agency to move forward with planning activities, but also be realistic about the expenditure for the overhead costs.

Ms. Palamountain stated she appreciated the streetscape information provided by staff and noted that \$150,000 was proposed for the Mid-Market Streetscape Program. Ms. Palamountain stated that the Agency's streetscape designs have

not really produced the results she would like to see in the project areas and would like to revisit the matter. Ms. Palamountain stated she appreciated the psychological benefit of streetscape designs, but the streetscape work, for example, that had been done in Western Addition when compared to the economic development activities, in particular the Farmers' Market and similar events, had resulted in a much greater impact on the community than the streetscape work. Ms. Palamountain stated she would like to look at how the Agency programmed funds and the most effective way of programming such funds.

Ms. Palamountain thanked Mr. William Carney and staff for providing the Commission with the facilities renewal schedule for Yerba Buena Center and stated she understood and appreciated the importance of not deferring maintenance over the long haul, but at the same time, her reading of the budget indicated that of the \$9 million of discretionary funds for Yerba Buena Center, \$4 million was allocated for facility renewal expenditures. Ms. Palamountain referred to the facility renewal schedule, which listed years with various expenditures, for example, interior finishes for the East Café scheduled for 2005 and interior finishes for the amphitheater space in 2006, and asked for clarification that the \$4 million of discretionary funds being authorized was not all going to work that was being expended in 2005.

Executive Director Rosen affirmed that not all of the discretionary funds were being spent for scheduled work in 2005, and explained that as the owner of a large public facility, the Agency had an obligation to secure, maintain and repair the facility and would ordinarily retain a capital reserve to pay for unforeseen damage or repair that became necessary and to prudently make the needed repairs and improvements to maintain the asset for the long term. Ms. Rosen stated that because of a shortfall in lease revenues, the capital reserve was being depleted and staff was proposing to partially replenish the capital reserve account to a prudent level so the Agency could make both planned repairs and improvements and have funds on hand for unforeseen circumstances, where the Agency as the owner had the liability to maintain and repair. The facility renewal schedule was not a proposed work program, but was an example of a long-range strategy for maintaining the facility, and was not necessarily a commitment to perform specific work in the current year, which would come before the Commission for contract authorization to perform the needed work.

Commissioner Palamountain stated that instead of the detailed breakdown she requested of the \$6 million that the Commission was being asked to allocate for Yerba Buena Gardens, staff provided a projection of the expenditures and not an actual itemization of how funds were to be expended.

Executive Director Rosen stated that the whole point was the fact that the Agency had depleted capital reserves for the Gardens and there was an opportunity with the combination of anticipated funding this year and the proposed refunding of additional Moscone bonds, which staff was negotiating with the City to split the savings from deferred payments that the convention center owed the Agency for the lease payments and part of the reason for the depleted capital reserves was the failure of the convention center to make the annual lease payments that the Agency expected to recapture this year and put back into the capital reserves where it should have been.

Mr. William Carney, Senior Project Manager, stated that the Agency made requests every year of the Gardens management to take a close look at the projections prepared by the asset management consultant and see if the projected life expectancy of the facility for the current year were in fact needed to be addressed this year, so staff did a detailed evaluation of expenditures. Mr. Carney added that the requested budget was a combination of long-term projections and a year by year accounting of actual anticipated expenses.

Commissioner Palamountain requested clarification that the source of the \$6 million was from revenues the Agency should have received in prior years and asked if the Agency would receive the funds this year or was the source from tax increment revenues.

Executive Director Rosen stated that about \$1.8 million of the budgeted amount was from the repayment of the Moscone lease amounts with the remainder proposed to come from bond proceeds.

Commissioner Palamountain requested clarification that the Agency was issuing debt in order to pay for a reserve account.

Executive Director Rosen pointed out that it was a capital reserve account from which capital expenditures would be made.

President Romero reminded the Commission that there was a motion on the floor to adopt the Agency's proposed budget, but there had not been a second to the motion.

President Romero stated it was the second instance the Commission had heard that information was not being provided to the Western Addition CAC and requested staff to prepare a memorandum that described the difference between PACs and CACs and the types of information provided to both, and when the committees met in relation to the Commission meetings and when Commission meeting material was distributed to PACs and CACs. Mr. Romero stated he wanted to make sure that everyone was being treated equally.

President Romero recalled that it had been six years that he had gone through the annual budgetary process as a Commissioner and the Agency followed a regimented process where the Commission would adopt a proposed budget to be submitted to the Board of Supervisors for its consideration prior to the end of the fiscal year. Mr. Romero stated he knew that the Executive Director and the Agency's fiscal staff worked closely with the Mayor's Budget Office and the Agency's budget was not prepared in isolation and asked if the Agency was within the City's overall budget approval process and schedule.

Executive Director Rosen stated that the Agency's proposed budget was first submitted to the Mayor's Budget Office for its review and input, and then presented to the Board of Supervisors as part of the City's budget. Ms. Rosen stated that other City departments were asked to submit their respective budgets to the Mayor's Office by March 1st, but since Mayor Newsom did not meet with the Agency until a later time, the Mayor's Office was satisfied with the Agency's budget being considered by the Commission on March 16th. Ms. Rosen added that the Mayor's Office was expecting the Commission to act on the Agency's proposed budget, otherwise it would be reviewing a draft version of the budget to be submitted to the Board of Supervisors.

President Romero pointed out that without a second to the motion to adopt the proposed budget, the motion would die and the Commission's next scheduled meeting, which was not until April 6th, may jeopardize the Agency's budget approval. Mr. Romero urged other Commissioners who had not commented on the budget, to voice their objections if any, or kindly second the motion to adopt the proposed budget.

Commissioner Dunlop stated that with a proposed budget of \$161 million, it was understandable that there would be certain items that would not meet with Commissioners' approval, but pointed out that the budget was a form of compromise and there was a need to move forward. Mr. Dunlop urged his fellow Commissioners to state their objections and consider the impact of not approving the proposed budget in a pivotal year with the difficult economic times.

Commissioner Palamountain stated that her concerns were the gaps and unanswered questions in the proposed budget. Ms. Palamountain stated she had significant concerns based upon the responses that staff provided to her detailed questions from the last Commission meeting, whether or not the Commission's policies and priorities were reflected in a revised budget. Ms. Palamountain stated she recognized the need to move forward with the budget and proposed a friendly amendment to Commissioner Dunlop's motion to adopt the proposed budget. Ms. Palamountain stated she would like the Commission to have an opportunity to revisit the budget should there be significant reductions resulting from review of the Agency's proposed budget by the Mayor's Office, the Board of Supervisors and/or the Governor, beyond the \$15 million related to passage of the SB2113 plan amendments, which if not passed, would be deleted from the Agency's budget. Ms. Palamountain reiterated that she had previously made key points on her approach to addressing the Agency's budget and that would be to (1) focus more on project or survey areas where there was high personnel and administration costs but a low level of work activities, (2) to look at things like reserve accounts and to determine if this was an appropriate time to allocate such funds, (3) to place the highest priority on the Agency's affordable housing program, (4) to de-emphasize cultural components, (5) to use staff as efficiently as possible particularly in project/survey areas where there was not a lot of work going forward, and (6) to maximize funds for affordable housing development. Ms. Palamountain stated she was not proposing to include these key points in her friendly amendment, but wanted to insure that the Commission had a second chance to revisit the budget in the likely event of further budget reductions resulting from State budget cuts. Ms. Palamountain distributed to the Commissioners a revised budget as follows, which added two recitals to the Basis for Resolution and an additional resolved clause:

"4. In the event that SB 2113 amendments are not approved, the Agency will delete approximately \$15 million from the budget for citywide housing and will spend the remaining housing funds in the manner described in the FY 2004-05 Budget.

- The Agency may face other budget reductions because of state legislation or decisions by the Mayor's Office and Board of Supervisors.

AND BE IT FURTHER RESOLVED that the Agency Commission may review and re-approve the Agency's budget in the event that significant reductions in the proposed Budget are made beyond the \$15 million associated with the SB 2113 amendments."

Commissioner Dunlop requested clarification on Commissioner Palamountain's amendment to the budget resolution, specifically recital number four.

Commissioner Palamountain explained that was to restate in the budget resolution what was already explicit in the budget document.

Commissioner Dunlop accepted Commissioner Palamountain's amendment to his motion to adopt the budget resolution.

President Romero asked the Executive Director if the proposed amendment to the budget resolution was lawful as it relates to the Commission's authority to revisit or amend the budget after it was considered and approved by the Board of Supervisors, and if the Executive Director had any objection to the budget resolution amendment.

Executive Director Rosen stated she believed that the Commission would always have the authority to seek an amendment of the Agency's budget and reminded the Commission that for the current fiscal year, staff brought before the Commission a budget amendment that imposed a \$3.4 million ERAF shift that resulted from State legislation, and the same process would take place with the budget resolution amendment as outlined by Commissioner Palamountain. Ms. Rosen stated that the budget resolution amendment was acceptable and she did not have any objection.

Commissioner Palamountain seconded Commissioner Dunlop's motion to adopt the budget resolution as amended.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (b) RESOLUTION NO. 31-2004, APPROVING THE PROPOSED BUDGET FOR THE PERIOD JULY 1, 2004 THROUGH JUNE 30, 2005 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE AS AMENDED, BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Palamountain

Mr. Yee

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King

Mr. Singh

AND THE FOLLOWING WERE ABSENT:

Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 31-2004 AS AMENDED, WAS ADOPTED.

4 (c) Resolution No. 32-2004, Authorizing a one-month extension of the Third Amended And Restated Exclusive Negotiations Agreement with Fillmore Development Associates, LLC, a California limited liability company, for the proposed mixed-use project at Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; and approving the developer's new membership structure; Western Addition Redevelopment Project Area A-2

Presenters: Joanne Sakai (Agency staff)

Speakers: Rev. Arnold Townsend, Wade Woods, William Sisk, Rev. Ted

Frazier, Ulysses Montgomery, Michael Johnson, Mely Powers Mac
Berdin, Pastor Gary Banks, Chris Roberts

Commissioner Yee stated that everyone was excited about the project and the Commission recognized the complexity of the project and knew the long history of Parcel 732-A, and his only concern was if the one-month extension with the two 15-day extensions would provide sufficient time to complete the negotiations including the parking issue.

Executive Director Rosen stated that staff, the developer, community and the Commission were all anxious to proceed expeditiously with the project and staff was confident that negotiations would be successful and achieved within the one-month extension and the two 15-day extensions, if necessary. Ms. Rosen explained that staff recommended the additional extensions to accommodate all of the necessary work, including the parking, which was being further reviewed and analyzed.

Commissioner Yee put forth a motion to adopt item 4 (c).

Commissioner King seconded Commissioner Yee's motion and stated that the Agency needed to move forward with the project as soon as possible within the time extension. Mr. King recalled that it had been a year and a half since negotiations started and urged staff to work collaboratively with the developer to move the project forward.

Commissioner Palamountain informed the Commission Secretary of an outside contact with Mr. Michael Johnson, the developer of Parcel 732-A of a telephone conversation that took place earlier in the day (March 16, 2004). Ms. Palamountain shared that in her discussion with Mr. Johnson, she was continually impressed with Mr. Johnson's passion and dedication to the project under difficult circumstances. Ms. Palamountain stated she also discussed her concerns about the parking

with Mr. Johnson, that adding one more level to the proposed parking garage would be cost prohibitive for the City. Ms. Palamountain stated that Mr. Johnson agreed with her and that his proposal was not to have an additional level of parking and he had some ideas around what would be financially feasible. Ms. Palamountain thanked Mr. Johnson for his creative ideas about parking, because that was crucial to the financial feasibility of the project given the fact that neither the City nor the Agency had available funds. Ms. Palamountain stated she looked forward to seeing the project before the Commission in the next month.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 32-2004, AUTHORIZING A ONE-MONTH EXTENSION OF THE THIRD AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE PROPOSED MIXED-USE PROJECT AT PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; AND APPROVING THE DEVELOPER'S NEW MEMBERSHIP STRUCTURE; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (d) Resolution No. 33-2004, Authorizing a Personal Services Contract with Van Gelder Enterprises, Inc., a California corporation, in an amount not to exceed \$99,865.00 to provide bird abatement and clean up services at the former Municipal Substation located at 1140 Fillmore Street; Western Addition Approved Redevelopment Project Area A-2

Presenters: Nicole Franklin (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 33-2004, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH VAN GELDER ENTERPRISES, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$99,865.00 TO PROVIDE BIRD ABATEMENT AND CLEAN UP SERVICES AT THE FORMER MUNICIPAL SUBSTATION LOCATED AT 1140 FILLMORE STREET; WESTERN ADDITION APPROVED REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

Items 4 (e) and 4 (f) were presented together and acted upon separately.

4 (e) Resolution No. 34-2004, Adopting environmental findings pursuant to the California Environmental Quality Act and Authorizing an amendment to the Mission Bay South Design for Development to increase the maximum parking to 2 spaces per 1,000 gross square feet of Life Science/Biotechnology space; Mission Bay South Redevelopment Project Area

4 (f) Resolution No. 35-2004, Adopting environmental findings pursuant to the California Environmental Quality Act and Authorizing a Second Amendment to the Mission Bay North Owner Participation Agreement to amend the scope of development to decrease allowable residential development from 3,000 to 2,900 units and allowable retail development from 500,000 to 200,000 leasable square feet; Mission Bay North Redevelopment Project Area

Presenters: Amy Neches (Agency staff), Jesse Blout (MOED)

Speakers: Jeremy Nelson, Andrew Detsch, Corinne Woods, Todd Ewing, Terri Feeley, Francisco Da Costa

Commissioner Dunlop put forth a motion to adopt item 4 (e) and stated it was a great idea all in all to enhance parking amenities to attract biotechnology firms to Mission Bay. Mr. Dunlop stated that although the Agency was in concert with the City's transit-first policy, it was sometimes necessary to face economic realities because the Agency would not be able to advance its well-intentioned plans without the necessary tax increment revenues.

Commissioner Singh seconded Commissioner Dunlop's motion to adopt item 4 (e).

Commissioner Yee stated that it was very good for the City to have such a prestigious organization like UCSF to locate in Mission Bay and complimented staff for its good work and foresight to propose additional parking to attract the biotechnology industry. Mr. Yee

stated that in addition to the tax increment that would be generated from such industries that would benefit the City overall, San Francisco would attract scientists and make the City a leader in the biotechnology field. Mr. Yee lent his support for the two Mission Bay items.

Commissioner Palamountain stated she would support the amendments although it was a tough decision for her to make, but was amply persuaded by staff's analysis and recommendation to reallocate designated parking allotments from Mission Bay North to Mission Bay South, plus the environmental findings, which concluded that impacts would essentially remain the same as the reallocated parking in Mission Bay North would no longer be available to developers. Ms. Palamountain added that she appreciated staff's acknowledgement that the added parking spaces would not necessarily guarantee that biotechnology firms would actually come to Mission Bay, but that was part of a comprehensive strategy to position Mission Bay and San Francisco in the best possible way to attract such industries.

President Romero lent his support for the project and stated he was persuaded by the arguments put forth by staff and the support from the public who came to address the Commission. Mr. Romero thanked members of the public for coming to the meeting and stated he did not think that it was unreasonable to expect some changes in such a large and important complex project such as Mission Bay. Mr. Romero stated it made sense to be flexible and have the ability to make adjustments to accommodate and attract the biotechnology industry to complement what was originally planned to be built with the UCSF campus. Mr. Romero stated he was supportive of public transit, but did not see the proposed additional parking to be a drastic change and believed that it provided the necessary balance to achieve a higher goal.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 34-2004, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING AN AMENDMENT TO THE MISSION BAY SOUTH DESIGN FOR DEVELOPMENT TO INCREASE THE MAXIMUM PARKING TO 2 SPACES PER 1,000 GROSS SQUARE FEET OF LIFE SCIENCE/BIOTECHNOLOGY SPACE; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 35-2004, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING A SECOND AMENDMENT TO THE MISSION BAY NORTH OWNER PARTICIPATION AGREEMENT TO AMEND THE SCOPE OF DEVELOPMENT TO DECREASE ALLOWABLE RESIDENTIAL DEVELOPMENT FROM 3,000 TO 2,900 UNITS AND ALLOWABLE RETAIL DEVELOPMENT FROM 500,000 TO 200,000 LEASABLE SQUARE FEET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (g) and 4 (h) were presented together and acted upon separately.

4 (g) Resolution No. 36-2004, Authorizing a Tax Increment Loan Agreement with Mercy Housing California XIV, a California limited partnership, in an amount not to exceed \$7,865,955, for acquisition, holding, and predevelopment of approximately 126 very low income family rental units, and one manager's unit, at 10th and Mission Streets, Block 3508, Lots 13, 26 and 27; Mid-Market Redevelopment Survey Area

4 (h) Resolution No. 37-2004, Authorizing a Tax Increment Grant Agreement with Mercy Housing California, a California nonprofit, public benefit corporation, in an amount not to exceed \$3,572,214, for acquisition, holding, and predevelopment of approximately 103 very low income senior rental units, and one manager's unit, at 9th and Jessie Streets, Block 3508, Lots 13, 26 and 27; Mid-Market Redevelopment Survey Area

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Dunlop asked if the proposed project would be impacted by the SB2113 plan amendments.

Executive Director Rosen responded that the proposed project would not be impacted by the SB2112 plan amendments as the funding was

from the current and prior year budgets.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 36-2004, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA XIV, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$7,865,955, FOR ACQUISITION, HOLDING, AND PREDEVELOPMENT OF APPROXIMATELY 126 VERY LOW INCOME FAMILY RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 10TH AND MISSION STREETS, BLOCK 3508, LOTS 13, 26 AND 27; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 37-2004, AUTHORIZING A TAX INCREMENT GRANT AGREEMENT WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NONPROFIT, PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$3,572,214, FOR ACQUISITION, HOLDING, AND PREDEVELOPMENT OF APPROXIMATELY 103 VERY LOW INCOME SENIOR RENTAL UNITS, AND ONE MANAGER'S UNIT, AT 9TH AND JESSIE STREETS, BLOCK 3508, LOTS 13, 26 AND 27; MID-MARKET REDEVELOPMENT SURVEY AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Francisco Da Costa, Jarrett Curd, Dave Osgood

7. REPORT OF THE PRESIDENT

- President Romero reported that he and Vice-President Dunlop had an introductory meeting with Mayor Newsom last week and that the meeting went very well.
- President Romero reported that Mayor Newsom had asked him to serve on the 10-year Plan to End Chronic Homelessness in San Francisco Council and had accepted the appointment. Mr. Romero shared that he had also been asked to chair the Permanent Supportive Housing subcommittee of the Council and that he would provide periodic reports to the Commission on the work going forward. Mr. Romero stated that the goal of the Council was to prepare the 10-year plan by the end of June 2004. Olson Lee, the Agency's Deputy Executive Director for Housing had been assigned to provide staff support for President Romero.
- President Romero welcomed the Agency's veteran Commissioner, Leroy King, back to the meeting and remarked that Mr. King looked well.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen congratulated President Romero on his appointment to the Mayor's 10-year Homeless Plan Council. Ms. Rosen added that Mayor Newsom had made affordable housing and homelessness as key elements of his administration and that she, along with nine other department heads, served on the Mayor's Homeless Cabinet. In addition, the Mayor convened a community meeting on the City's housing policies on March 9th with the next meeting scheduled for March 31st. Ms. Rosen and Mr. Olson Lee would continue to attend and represent the Agency in the meetings. The Commissioners had been provided a copy of a memorandum to the Department of Human Services' Executive Director, who heads the Homeless Cabinet, describing the Agency's affordable housing program and efforts on homelessness.

- The Agency's budget amendment that had been pending at the Board of Supervisors since December 2003, was adopted by the Board of Supervisors at its meeting of March 9th, and to refresh the memory of the Commission, the budget amendment for the current fiscal year, which authorized a refunding of some 1994 bonds which would yield the agency about \$10 million more in bond proceeds, and authorized the execution of a cooperative agreement with the City whereby the Agency would use \$1.9 million of the bond proceeds to put a deposit on a piece of surplus property that the Agency would later acquire for the development of affordable housing. The budget amendment also authorized the City to give the Agency \$3.4 million of tax increment for this year's ERAF payment due on May 1st.
- The Board of Supervisors earlier (March 16th) approved the preservation project Mariposa Gardens ground lease that the Commission previously approved.
- San Francisco Business Times Real Estate Deals of the Year event on March 25th from 5:30 p.m. to 8:30 p.m., where 40 real estate transactions named as finalists for awards, with seven of the finalists either sponsored by the Agency or within redevelopment project areas, including UCSF in Mission Bay, Hunters Point Shipyard DDA, Westfield Bloomingdale's in Yerba Buena Center, and Mission Creek Senior Community in Mission Bay. Ms. Rosen stated she believed that the Agency was poised to receive at least one award, if not more.
- Launching of the second year of the Fillmore Jazz Preservation District Promotions Office with a community celebration on April 7th, 5:30 p.m. to 7:30 p.m. at Russel's Jazz Club and promises to be a vibrant and exciting event.
- Celebrating the grand opening of a recording studio at the African-American Art and Culture complex at 762 Fillmore Street on March 23rd, with a reception from 6:00 p.m. to 8:00 p.m. honoring former Mayor Willie Brown, Jr.
- Attended the California Redevelopment Association (CRA) conference and board meeting where discussions about the Governor's proposed budget took place. The Governor's proposed budget was expected in May 2004 and it was anticipated that the ERAF shift would be the same as

the current fiscal year, which was \$135 million statewide and would have the same impact of \$3.4 million on the Agency. The CRA was advised that there was strong support from the state legislature for redevelopment agencies.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Palamountain congratulated President Romero on his appointment to the Mayor's 10-year Plan Council and stated she was sure that he would do very well.
- Commissioner Palamountain referred to the informational memorandum regarding the West Café in Yerba Buena Center and noted the discussion about visibility and signage for the retail spaces, and stated she would prefer that signage for the retail space not detract from the Martin Luther King, Jr. Memorial and moreover, she did not want to see any banners flying over the King memorial or colorful commercial signs. Ms. Palamountain asked staff to take into account her concerns when marketing the retail spaces.
- Commissioner Yee asked if there was a groundbreaking scheduled for the Plaza Apartments project.

Executive Director Rosen stated there was a symbolic groundbreaking that took place last December with Mayor Brown in attendance. It was celebrated with the Dudley Hotel reopening ceremony. Ms. Rosen suggested that if the Commission would like another groundbreaking celebration, staff could evaluate and provide advice to the Commission as to the options available.

- Commissioner Singh asked the Executive Director to provide a response to Mr. Dave Osgood's comments regarding the Rincon Center housing.

Executive Director Rosen reminded the Commission that it previously approved

a rental agreement with the owners of Rincon Center, which included a provision for dispute resolution. Ms. Rosen stated she had just read a letter from Mr. Osgood, which stated that he was embarking on a dispute resolution within the agreed upon rental agreement. Staff continued to work with Mr. Osgood when he had made inquiries, as well as with the management at Rincon Center and the Tenants Association to amicably resolve such disputes.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment for acquisition of property. The property under consideration is 65-83 6th Street, Assessor Block No. 3704, Lot 026. The party with whom the Agency may negotiate is Ralph & Eva Kazanjian. Agency negotiators: Olson Lee, Bill Carney, Isabella Wong and Vanessa Dandridge.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Mr. Singh, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:27 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

April 06, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF APRIL 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 6th day of April 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting. Mr. Romero informed the public that an overflow room had been provided in room 421 should meeting room 416 fill up, and reminded the public to occupy all vacant seats to accommodate everyone.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Leroy King

Kathryn C. Palamountain

Darshan Singh

Benny Y. Yee

and the following were absent:

Mark Dunlop, Vice-President

Michelle W. Sexton

Joanne Sakai, Acting Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of March 16, 2004

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR.

SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP, MS. SEXTON AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF MARCH 16, 2004, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 38-2004, Authorizing an Eighth Amendment to the Operating Agreement with Zeum, a California nonprofit public benefit corporation to defer repayment of the \$91,000 portion of previous advances to Zeum which is due in fiscal year 2003-04 and provide for repayment of the entire \$910,000 in previous advances by pro-rata reductions of the Agency's quarterly funding amounts over the next nine years starting in fiscal year 2004-05; Yerba Buena Center Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: Adrienne Pon, Elizabeth Zitrin, Rosabella Safont, Brian

Govender, Miguel Barbosa, Ahmad Mansur, Sherry Young, Victoria Evans Erville, William Osterhaus, Norman Yee, Donna Fujii, Kayla Abe, Shawnelle Gibbs, Herve Gomez, Elena Featherston, Kari Novatney

Commissioner King put forth a motion to adopt item 4 (b) and stated that Zeum had been through a long struggle and recalled that he fought for the Children's Center along with all the other elements of the Yerba Buena Gardens. Mr. King stated that the \$91,000 should be restored for Zeum so that it could continue its good work.

Commissioner Singh asked what the consequences were for forgiving the loan to Zeum.

Acting Executive Director Joanne Sakai stated that the item before the Commission was the restoration of the \$91,000 that was withheld from the last scheduled quarterly payment to Zeum in accordance with the operating agreement. The eighth amendment would also provide for repayment of

\$910,000 in advances previously authorized by the Commission. Ms. Sakai stated that the consequences of forgiveness of the \$910,000 in previous advances to Zeum depended on whether or not lease revenues were realized at the earlier levels or exceeded those levels. Ms. Sakai stated that increased levels of lease revenues from Marriott and other properties in Yerba Buena Center must be realized in order to fund the Agency's obligations to maintain the Yerba Buena Gardens at its current level, and part of the Agency's obligations under the ground lease with Marriott Hotel and the reciprocal easement agreement with the Marriott and other property owners required the Agency to utilize the ground lease payments in a certain priority, and must, in addition to providing operating support for Zeum and other cultural entities in Yerba Buena Gardens, also fund sufficient reserves in order to maintain Yerba Buena Gardens itself. Ms. Sakai explained that if the Commission took action without knowing the future lease revenues, the Agency might not be able to fund the capital reserves, which were projected to have a deficit in the next fiscal year, and would not be able to fund capital repairs should they arise.

Commissioner Singh stated that the Agency was in dire need of funds and every City department was undergoing the same economic difficulty, but Zeum was one of his favorite projects and did not want it to suffer funding losses. Mr. Singh stated he wanted to hear other Commissioners' comments on the matter.

Commissioner Palamountain stated it was not in question that public financing of arts and education was an important role for government and that the development of the Children's Center was not in question. The mission and role of the Children's Center was an important goal, and upon review of all the Commission memoranda from the 1990's at the inception of the Children's Center, she agreed with the original intention to provide arts and education for children. Ms. Palamountain added that in her mind, there was no question that Zeum had come a long way in the last two years and that it was now headed by a very capable, enthusiastic and strong leadership and staff that had community support. Ms. Palamountain stated she had concerns not with the restoration of the \$91,000 to Zeum for the current fiscal year, but the \$6 million of debt that the Agency was proposing to issue to meet obligations for just the Yerba Buena Gardens, and as Ms. Sakai stated earlier, the Agency was headed for deficit spending in the next fiscal year for the Yerba Buena Gardens themselves, not to mention the Agency's funding commitment for all of the cultural institutions in addition to Zeum, which include the Museum of the African Diaspora, Jessie Square, Mexican and Jewish Museums. Ms. Palamountain stated she had deep and serious concerns that the Agency Commission was not fulfilling its long-term obligations to insure that the Agency was not left with five empty buildings and two decaying public spaces, because the Agency currently did not have the money to pay for its obligations and is in fact issuing debt to pay for such obligations in Yerba Buena Center. Ms. Palamountain stated she agreed with staff's approach when it met in the fall of 2003 with all of the Yerba Buena Gardens operators and requested cost reductions as the Agency was in a situation where it could not meet its financial obligations, but now the Commission was

faced with a situation where if it was to forgive Zeum's debt, the Commission would also be faced with the same request from the other cultural institutions. The Commission should not be in a position to forgive one debt or provide funding for one and not the others. Ms. Palamountain stated it was a very tough decision for her, but that she would second Commissioner King's motion to adopt item 4 (b). She stated she felt that the position Zeum was put in was unfair because it apparently came as a surprise to Zeum, but questioned if the surprise was reasonable given that staff did inform the cultural institutions that the Agency was facing an economic crisis and requested cost reductions. With respect to the request from members of the public to forgive Zeum's debt, Ms. Palamountain stated that in light of the full range of fiscal circumstances she was facing as a Commissioner, she did not think that the case had been made for forgiving the debt. Ms. Palamountain stated that if the Commission had set up priorities such that the Agency was paying cultural institutions hundreds of thousands of dollars every year for a period of ten or fifteen years, and suddenly cut the funding at the end, it would be a recipe for disaster, because at the end of the funding period, every cultural institution that the Agency had created and funded would be put back in a financial crisis, in which no non-profit could absorb the huge cuts. Ms. Palamountain encouraged all of the cultural institutions in Yerba Buena Gardens, including Zeum, to take a serious look at the funding structures created jointly by the cultural institutions and the Agency and recognize that at the end of the ten or fifteen year period, the funding would cease, and if a \$91,000 funding reduction could not be absorbed for one year, how could a half-a-million-dollar funding reduction be absorbed. Ms. Palamountain stated she would support going forward with the current fiscal year request, but she wanted to be straightforward with Zeum with the tough fiscal decisions that the Agency was facing in future years and suggested a gradual reduction in funding to lessen the fiscal impact at the end of the funding period. Ms. Palamountain encouraged all of the cultural institutions to work collaboratively when requesting additional funding from the Agency and to recognize the fiscal impacts upon other cultural institutions.

Commissioner Yee stated he agreed with Commissioner Palamountain's eloquent comments and acknowledged that all non-profit organizations were experiencing very tough economic times. Mr. Yee stated that Zeum had come a long way and the support from the community was evident with the large number of people attending the Commission meeting. Mr. Yee stated he wished that Commissioner King reconsider his motion to adopt the resolution recommended by staff because the Agency had previously provided millions of dollars to numerous projects, which in his opinion, were a waste of money. Mr. Yee stated that action should be delayed until Agency staff and Zeum were able to come up with a better solution because he did not want to see Zeum close its doors to the young people of San Francisco. Mr. Yee stated his opposition to staff's recommendation.

President Romero stated he agreed with his fellow Commissioners' statements and that the Agency had previously funded every program during years when

there was sufficient funding for everyone, but times change and fiscal realities change. Mr. Romero stated there was no argument that Zeum was a wonderful facility that served the young in the City and the Commission would not have approved its development unless it believed in Zeum. Mr. Romero congratulated and thanked Zeum for its hard work and for doing a great job, but everyone must look at the funding reality that everyone in the City was faced with. Mr. Romero stated he was disappointed that the matter came into a crisis situation without additional time to review and discuss alternatives. Mr. Romero stated he was not blaming anyone and pointed out that if staff's recommendation was followed, it did not mean that the matter could not be revisited in the future, as economic climate changed. Mr. Romero stated he would support staff's recommendation and Commissioner King's motion to adopt item 4 (b). Mr. Romero added that given the facts that are currently known, he believed staff's recommendation to be a prudent action for the Commission to take.

Commissioner Yee requested verification from Agency General Counsel that a maker of a motion could vote against his or her own motion.

Agency General Counsel James B. Morales stated that although unusual, the maker of the motion could vote against his or her own motion.

Commissioner King stated he would not vote against his own motion. Mr. King stated that Commissioner Palamountain's statements were eloquent and he was proud of how she presented the issues. Mr. King reminded everyone that Zeum and the Yerba Buena Gardens were the creation of the Agency and it continued to be committed to their success, and recalled the long struggle of the Children's Center. Mr. King stated that the Agency's budget was still being reviewed and would probably change and there was a possibility that the Agency may have to cut its own staff given the fiscal realities facing the City. Mr. King stated that his motion should be passed and urged the Commission to vote for the matter before them.

Commissioner Singh asked if the Commission approved staff's recommendation, where would the \$91,000 come from.

Acting Executive Director Sakai stated the resolution before the Commission would restore the \$91,000 that was withheld from the last scheduled quarterly payment to Zeum, and the original budget amount of \$599,000 for Zeum in fiscal year 2003-2004 would not change with the Commission's action and it would not be necessary to amend the Agency's budget as the original amount remained intact.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (b) RESOLUTION NO. 38-2004, AUTHORIZING AN EIGHTH AMENDMENT TO THE OPERATING AGREEMENT WITH ZEUM, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION TO DEFER REPAYMENT OF THE \$91,000 PORTION OF PREVIOUS ADVANCES TO ZEUM WHICH IS DUE IN FISCAL YEAR 2003-04 AND PROVIDE FOR REPAYMENT OF THE ENTIRE \$910,000 IN PREVIOUS ADVANCES BY PRO-RATA REDUCTIONS OF THE AGENCY'S QUARTERLY FUNDING AMOUNTS OVER THE NEXT NINE YEARS STARTING IN FISCAL YEAR 2004-05; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL THE FOLLOWING VOTED "AYE":

Mr. King

Ms. Palamountain

Mr. Singh

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. Yee

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

Ms. Sexton

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, AND TWO (2) ABSENTS.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION

NO. 38-2004 WAS ADOPTED.

4 (c) Resolution No. 39-2004, Approving a personal services contract with OLMM Consulting Engineers, a California corporation, in an amount not to exceed \$404,380, to prepare seismic retrofit construction documents for the Municipal Railway Substation Building at 1140 Fillmore Street; Western Addition Redevelopment Project Area A-2

Presenters: Su-Syin Chou (Agency staff)

Speakers: Mary Helen Rogers

Commissioner Palamountain put forth a motion to adopt item 4 (c) and in response to Mrs. Mary Rogers' questions, Ms. Palamountain stated that at the previous Commission meeting, the Commission took action to award a contract for bird abatement and clean up services for the Muni substation site. Ms. Palamountain asked Acting Executive Director Joanne Sakai to have staff contact Mrs. Rogers and inform her of the clean up services for the site. Ms. Palamountain clarified that the personal services contract before the Commission was for the consultant to prepare the seismic retrofit construction documents and not actually perform the retrofit construction on the building.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 39-2004, APPROVING A PERSONAL SERVICES CONTRACT WITH OLMM CONSULTING ENGINEERS, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$404,380, TO PREPARE SEISMIC RETROFIT CONSTRUCTION DOCUMENTS FOR THE MUNICIPAL RAILWAY SUBSTATION BUILDING AT 1140 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (d) Resolution No. 40-2004, Authorizing the issuance of Lease Revenue Refunding Bonds, Series 2004 (George R. Moscone Convention Center) in an amount not to exceed \$43,000,000, the execution and delivery of a Trust Agreement and an Amended and Restated Project Lease, and Authorizing and directing certain related actions; Yerba Buena Center Redevelopment Project Area

Presenters: Mario Menchini (Agency staff)

Commissioner Palamountain put forth a motion to adopt item 4 (d).

Commissioner Singh asked what the interest rate was on the bonds, and requested verification that the interest payments would come from lease revenue from the Moscone Convention Center. Mr. Singh also asked how staff selected the underwriters for the bonds.

Mr. Mario Menchini, Senior Financial Analyst, stated that staff anticipated the interest rate to be around four percent and informed the Commission that the bonds were not going to be priced until May. Mr. Menchini affirmed that the interest payments would come from lease revenue from the Moscone Convention Center. Mr. Menchini stated that because the bonds were being sold competitively, there was no need for underwriters.

Commissioner Singh seconded Commissioner Palamountain's motion to adopt item 4 (c).

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 40-2004, AUTHORIZING THE ISSUANCE OF LEASE REVENUE REFUNDING BONDS, SERIES 2004 (GEORGE R. MOSCONE CONVENTION CENTER) IN AN AMOUNT NOT TO EXCEED \$43,000,000, THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT AND AN AMENDED AND RESTATED PROJECT LEASE, AND AUTHORIZING AND DIRECTING CERTAIN RELATED ACTIONS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Wilma Parker, Brian Egg, Sarah Norr, Angelo King, Dan Dodt, Angus McCarthy, Lauren Alden

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Acting Executive Director Sakai informed the of the following informational memoranda sent to the Commission:
- Signing of the Conveyance Agreement for the Hunters Point Shipyard.
- San Francisco Business Times Real Estate Deals of the Year awards for several Agency-sponsored development projects, including Mission Creek Senior as a finalist for Best Affordable Residential, the Hunters Point Shipyard as a winner for Best Land Deal, and Kokoro Assisted Living as winner for Best Rehabilitation.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he appreciated members of the South of Market Project Area Committee (PAC) who came to the meeting to let the Commission know what was happening in the South of Market. Mr. Yee asked how often was the PAC elected and who established the composition and categories of the 21 seats in the PAC. Mr. Yee asked if there were any vacancies in the PAC at the present time and if so, what category.
- President Romero cautioned that Commissioners should not interject with

the business of the PAC without knowing all the facts and issues surrounding the public testimony given.

Mr. William Carney, Senior Project Manager, informed the Commission that the South of Market PAC had one election in 1997 and as vacancies in the various categories occur, the PAC advertised and filled the vacancies. Mr. Carney stated that the Board of Supervisors, prior to the election of the PAC, determined the composition and categories of the PAC. Mr. Carney stated he believed there was one vacancy, but did not recall for which category. Mr. Carney stated staff would find out and provide the information to the Commission.

- Commissioner Yee stated he was concerned with maintaining a balance of the representation of the PAC's composition to insure a level playing field for all of the community's stakeholders.
- Commissioner Singh asked why there was not more property owners represented on the PAC.

Acting Executive Director Sakai recited the composition of the South of Market PAC for the Commission's information, as follows: seven (7) residential tenants, two (2) owner-occupants, six (6) business owners, including resident property owners, and six (6) community-based-organizations.

- Commissioner Singh stated he believed there should be no taxation without representation and property owners should be fully represented in the South of Market PAC. Mr. Singh congratulated Mr. Angelo King and Mr. Dan Dodt, newly elected Chair and Vice-Chair respectively, of the Bayview Hunters Point PAC, and thanked them for coming to the meeting and encouraged them to continue their good work and inform the Commission of what was going on in the Bayview.
- Commissioner Palamountain also congratulated Mr. Angelo King and Mr. Dan Dodt on being elected to the leadership of the Bayview Hunters Point PAC and stated she was excited to hear that they would be coming to the Commission meetings more regularly. Ms. Palamountain stated she was interested to hear that the PAC would be bringing forward its budget specifically for outreach, and agreed that community outreach was very important, but wanted the PAC to understand that budget for outreach now would mean less money for community businesses later. Ms.

Palamountain requested that the Commission meeting be adjourned in memory of Julien Mezey, the two-year old son of a friend who died last month of leukemia.

- President Romero stated that in the seven years he had been on the Commission, he had never attended a PAC meeting and his view was that the PAC was tasked to do a job and he felt that the dynamics of the meeting would change when a Commissioner or Commissioners were in attendance. Mr. Romero stated he believed that the Commission should not interfere in the business of the PAC and not have the appearance of taking sides in a political debate within the PAC, and that was why he ruled the way he did during Commissioner Yee's inquiry of the South of Market PAC.

10. CLOSED SESSION:

(a) Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to terms with regard to negotiations with the United States Navy for the conveyance of Hunters Point Shipyard. Agency and City negotiators: Marcia Rosen, Joanne Sakai, Don Capobres, Jesse Blout and Michael Cohen.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:52 p.m. The April 6, 2004 Commission meeting was adjourned in memory of Julien Mezey.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

April 20, 2004

≡ MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE

20TH DAY OF APRIL 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of April 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting. Mr. Romero informed the public that an overflow room had been provided in Room 421.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

and the following were absent:

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of April 6, 2004

4 (b) Resolution No. 41-2004, Authorizing a Second Amendment to an Exclusive Negotiations Agreement with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, to extend the expiration from May 30, 2004 to September 30, 2004, leading to a long term ground lease of 4800 Third Street, within the Bayview Hunters Point Redevelopment Survey Area, for the development of very low income rental housing and ground floor commercial space; Citywide Tax Increment Housing Program

4 (c) Resolution No. 42-2004, Authorizing a First Amendment to the 2003-2004 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$60,000, for a total aggregate amount not to exceed \$528,000; Housing Opportunities for Persons With AIDS Program

4 (d) Resolution No. 43-2004, Authorizing a First Amendment to the Letter Agreement with the Department of Public Works, Bureau of Construction Management, to provide environmental, geotechnical and engineering services on an as-needed basis, which extends the term of the agreement by 12 months; all redevelopment project and survey areas and other designated sites

4 (e) Resolution No. 44-2004, Authorizing an extension for time of completion for contract RPSB 002-03 with I.M.R. Roofing Corporation, a California corporation, from March 16, 2004 to June 30, 2004 for South Beach Harbor Pier 40 shed improvements; Rincon Point - South Beach Redevelopment Project Area

A member of the public requested to speak on Consent Agenda item 4 (b) and the matter was withdrawn from the Consent Agenda and considered as a separate item.

The Commission voted on the remaining items on the Consent Agenda, items 4 (a), 4 (c), 4 (d) and 4 (e).

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS.

SEXTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF APRIL 6, 2004, 4 (c) RESOLUTION NO. 42-2004, AUTHORIZING A FIRST AMENDMENT TO THE 2003-2004 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$60,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$528,000; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM. 4 (d) RESOLUTION NO. 43-2004, AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS, BUREAU OF CONSTRUCTION MANAGEMENT, TO PROVIDE ENVIRONMENTAL, GEOTECHNICAL AND ENGINEERING SERVICES ON AN AS-NEEDED BASIS, WHICH EXTENDS THE TERM OF THE AGREEMENT BY 12 MONTHS; ALL REDEVELOPMENT PROJECT AND SURVEY AREAS AND OTHER DESIGNATED SITES, AND 4 (e) RESOLUTION NO. 44-2004, AUTHORIZING AN EXTENSION FOR TIME OF COMPLETION FOR CONTRACT RPSB 002-03 WITH I.M.R. ROOFING CORPORATION, A CALIFORNIA CORPORATION, FROM MARCH 16, 2004 TO JUNE 30, 2004 FOR SOUTH BEACH HARBOR PIER 40 SHED IMPROVEMENTS; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

The following staff presented on item 4 (b):

Presenters: Vanessa Dandridge (Agency staff)

Speakers: Espanola Jackson

Commissioner Palamountain stated she was mindful of the history of the project when the San Francisco Housing and Development Corporation (SFHDC) brought the project to partner with the Agency, and recalled that the last time the project was before the Commission was in November 2001 when an exclusive negotiations agreement was entered into, and the Commission was yet to see a basic concept design for the project. Ms. Palamountain stated that two and a quarter years was a long time to develop a basic concept design and asked what had been the progress to date.

Ms. Vanessa Dandridge, Development Specialist, stated that a basic concept design had been developed and was proceeding to design development and would be scheduled to go before the Commission

soon, and the basic concept design was being reviewed by the Planning Department to secure entitlements for proposed variances including a height variance, which would require a resolution from the Planning Commission.

Commissioner Palamountain noted that SFHDC was scheduled to apply for 9% low-income tax credits by July 22nd and asked what the project needed in order to apply for such tax credits by that date, and when the next tax credit application was after 2004.

Ms. Dandridge stated that the project would have to secure the necessary entitlements from the Planning Commission and a funding commitment from the Agency Commission for the remaining subsidy in order to make the project financially feasible. Ms. Dandridge stated the next application date was anticipated to be in July 2005.

Commissioner Palamountain stated she hoped that the project would meet the July 2004 deadline and put forth a motion to adopt item 4 (b). Ms. Palamountain requested staff to prepare a report on the environmental review of the project to address Ms. Espanola Jackson's testimony about underground fuel storage tanks. Ms. Palamountain recalled that when SFHDC initially proposed the site for development, it also talked about providing housing for emancipated foster youth, and since 50% of youth graduating from foster care end up being homeless, she stated this was a very important housing need that needed to be filled. Ms. Palamountain stated she understood that the current plan did not include such housing for foster care youth, but given the lengthy delay on the project, this would not be a bad idea to pursue, and urged staff to continue to look for housing opportunities for foster care youth.

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (b) and asked staff for a response to Ms. Espanola Jackson's testimony about underground fuel storage tanks on the site.

Executive Director Rosen stated that the staff and developer were aware of their responsibilities with regard to hazardous materials remediation and the site would be investigated to determine the presence of underground fuel storage tanks and any are found, they

would be removed consistent with all applicable laws and a report would be provided to the Commission. Ms. Rosen thanked Ms. Espanola Jackson for her testimony and attention to the matter.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 41-2004, AUTHORIZING A SECOND AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE EXPIRATION FROM MAY 30, 2004 TO SEPTEMBER 30, 2004, LEADING TO A LONG TERM GROUND LEASE OF 4800 THIRD STREET, WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, FOR THE DEVELOPMENT OF VERY LOW INCOME RENTAL HOUSING AND GROUND FLOOR COMMERCIAL SPACE; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (f) Resolution No. 45-2004, Certifying a Final Environmental Impact Statement/Final Environmental Impact Report for the Transbay Terminal/Caltrain Downtown Extension/Redevelopment Project; Transbay Redevelopment Survey Area

Presenters: Michael Grisso (Agency staff)

Speakers: William Blackwell, Bob Tandler, Jim Haas, Harry Newhall, Bruce Barnes, Daniel Krause, Andrew Sullivan, Scott Mace, Norman Rolfe, Robert Meyers, Joyce Roy, Michael Kiesling, Alan Zahradnik, Rob Birmingham, Richard Mlynarik, Maria Ayerdi, John Haltzclaw, Richard Coleman, David Vasquez, Margaret Okuzumi, John Glenn, Gerard P. Burnett, Steve Atkinson, John Gasser, David Schonbrunn, Walter Johnson, Jane Morrison, Anthony Bruzzone, Shepherd Heery, Tamar Danziger, Jeffrey Heller

Commissioner Sexton stated although she was new to the Commission, she was familiar with the Transbay Terminal project and that she appreciated the comments from the public. Ms. Sexton clarified that the Commission was being

asked to certify that the Final Environmental Impact Statement/ Environmental Impact Report (EIS/EIR) was adequate and complete, and the Commission was not being asked to approve the proposed project. Ms. Sexton stated that there would be ample opportunity for the public to comment on the proposed project following certification of the Final EIS/ EIR and when the Agency Commission would consider adoption of a redevelopment plan for Transbay. Ms. Sexton commended Mr. Michael Grisso for a very good presentation as well as Ms. Maria Ayerdi of the Joint Powers Board and the City Attorney's Office for all their hard work to bring the EIS/EIR before the Commission. Ms. Sexton stated she heard concerns about the bus vibration, pollution and noise levels and that she understood that the EIS/EIR did analyze the noise levels, but that she would like staff to look further into the matter in particular, the levels of noxious pollutants around the Transbay Terminal area. Ms. Sexton put forth a motion to adopt item 4 (f).

Commissioner Palamountain stated she was mindful that the Commission's action was limited to the certification of the Final EIS/EIR and requested verification from the General Counsel that the California Environmental Quality Act (CEQA) required the EIR to assess the environmental impact of proposed development on existing conditions, so the EIR was a forward-looking document on existing conditions as they presently existed.

General Counsel James B. Morales affirmed that CEQA required the EIR to assess the environmental impact of proposed development on existing conditions.

Commissioner Palamountain stated she was sympathetic to property owners who were trying to develop their properties, but it was important to note that the analysis for the Transbay Final EIS/EIR was on existing conditions and at the time of the environmental analysis, the 80 Natoma Street site was a parking lot. Ms. Palamountain recalled comments on how the proposed Design for Development might affect environmental conditions in the future, and because the Design for Development had not yet been adopted, she requested verification that should the Design for Development be adopted, there would be a process to determine if an environmental impact report was necessary.

General Counsel Morales stated it was important to remember that the EIS/ EIR looked at general information, including draft documents that might not yet be adopted, but that was important for the Commission in considering what the future environmental impact might be on the project. Mr. Morales stated that if the Design for Development document changed significantly so that the assumptions on which the environmental analysis was based changed, then staff would have to come back and look at the different environmental impacts on the

proposed project.

Commissioner Palamountain asked what the CEQA notice requirements were for environmental impact reports.

Ms. Joan Kugler of the City Planning's Major Environmental Analysis department, stated that CEQA required that the notice be published in a newspaper of general circulation, the notice be posted in conspicuous places within the area. In addition, notices that the Draft EIS/EIR was available were sent to everyone that requested it and personalized letters were sent to all of the property owners of record within the project area boundaries.

Commissioner Palamountain pointed to staff's response to comments about the bus circulation, that the bus circulation would not affect Stillman Street because the buses would circulate under the freeway along Perry Street within the storage area where a proposed noise wall would be installed along Stillman Street, and asked if there was going to be a roof structure on the noise wall, because adjacent property owners were concerned with the pollution from idling buses in the storage yard. Ms. Palamountain asked what the process was for the assessment of air quality standards in a situation like the bus storage area. Ms. Palamountain also asked if the air quality simulation took into account the evolution of bus propulsion technology and if the State of California had a history of stepping-back air quality standards.

Ms. Kugler stated that it was determined that a roof structure was not necessary for the noise wall because additional noise walls would be installed in the storage yard where the buses would be idling. Ms. Kugler added that a supplemental air quality analysis was performed specifically on the bus pollutions and the analysis found that all of the standards of the State Air Quality Act were met with the proposed noise walls.

Mr. Terry Hayes of Terry Hayes and Associates, informed the Commission that his firm was responsible for performing the air quality analysis and stated that they constructed a simulation model for the entire Transbay Terminal area and used a model called "industrial source," which was a U.S. Environmental Protection Agency (EPA) approved air quality model. The model took into account pollutant sources from traffic, freeway, buses idling and every source related to the project, and used meteorology from the local area in terms of wind speed, wind direction and atmospheric stability and calculated the concentrations of criteria pollutants, including nitrogen dioxide and carbon monoxide and compared them with the State air quality standards. The State has standards for

one, eight or 24-hour period depending on the pollutant and the identified pollutants in Transbay did not exceed the State air quality standards. Mr. Hayes added that the air quality analysis also took into account peak period operations using operating plans from Golden Gate and AC Transit and looked at the idling emissions of the buses and the peak operating conditions were taken into account. Mr. Hayes stated that the air quality simulation did take into account the emerging bus propulsion technology using the California Air Resources Board's standards for diesel bus emissions and assumed that the entire fleet of buses within the Transbay Terminal would comply with those diesel bus emission standards. Mr. Hayes stated that State's air quality standards for diesel buses had not been rolled-back and emerged as new air quality standards that had been promulgated.

Commissioner Palamountain seconded Commissioner Sexton's motion to adopt item 4 (f) and stated that she would look at the following issues as the process moved toward the adoption of a redevelopment plan for Transbay. Ms. Palamountain encouraged members of the public who had expressed concerns about the Transbay Terminal Plan and urged them to really get involved with the Agency's planning process and thanked them for their participation and input. Ms. Palamountain echoed the concerns of the public about the financial feasibility of the project and reiterated her own concerns that the proposed project would be financially feasible given the difficult economic times. Ms. Palamountain stated she wanted to assure the public that if the Agency was going to be involved with Transbay, there would be legal obligations to produce affordable housing within the project area. Ms. Palamountain urged staff to contact every property owner and occupant of all buildings proposed for acquisition and development within the Transbay Terminal project and thanked staff for its hard work.

Commissioner Singh stated he had similar concerns with the notification of people in the survey area. Mr. Singh asked how many historic buildings would be affected by the proposed project. Mr. Singh noted a newspaper article about the 80 Natoma Street project and recalled testimony that the site had already secured the necessary permits to develop, and asked why the EIS/EIR identified the site as a parking lot.

General Counsel Morales stated that the existing condition of the site was a parking lot and the EIS/EIR identified the site for acquisition for purposes of the Transbay Terminal project, and if the site's existing condition changed and developed, additional environmental analysis might be required to address new environmental impacts.

Commissioner Dunlop stated he did not have much to add to Commissioners

Palamountain and Sexton's comments, but reiterated the importance of the affordable housing component to the Commission and the Agency. Mr. Dunlop thanked Agency staff and the multiple City departmental staff for their extremely hard work on the project. Mr. Dunlop also thanked members of the public for their participation and assured that the certification of the EIS/EIR was just a step in the approval process and there would be many opportunities for public input and encouraged the public to continue its involvement in the project.

President Romero reiterated that the action before the Commission was the certification of the Final EIS/EIR and stated he would speak to the merits of the project. Mr. Romero stated there was overwhelming evidence of compliance with CEQA that the Final EIS/EIR was complete and adequate.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 45-2004, CERTIFYING A FINAL ENVIRONMENTAL IMPACT STATEMENT/FINAL ENVIRONMENTAL IMPACT REPORT FOR THE TRANSBAY TERMINAL/CALTRAIN DOWNTOWN EXTENSION/ REDEVELOPMENT PROJECT; TRANSBAY REDEVELOPMENT SURVEY AREA, BE ADOPTED

4 (g) Resolution No. 46-2004, Authorizing the execution of a Notice of Early Termination Agreement with Charles H. Breidinger and John E. Breidinger, as tenants in common, owners of property located at 1375 Evans Avenue, Assessor's Block 5237, Lots 13, 14 and 15; India Basin Industrial Park Approved Redevelopment Project Area

Presenters: Tracie Reynolds (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 46-2004, AUTHORIZING THE EXECUTION OF A NOTICE OF EARLY TERMINATION AGREEMENT WITH CHARLES H. BREIDINGER AND JOHN E. BREIDINGER, AS TENANTS IN COMMON, OWNERS OF PROPERTY LOCATED AT 1375 EVANS AVENUE, ASSESSOR'S BLOCK 5237, LOTS 13, 14 AND 15; INDIA BASIN INDUSTRIAL PARK APPROVED REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Resolution No. 47-2004, Authorizing the Executive Director 1) to receive and disburse \$50,000 in SB 307 grant funds from the State Department of Parks and Recreation; and 2) to enter into a Personal Services Contract with Japantown Task Force, Inc., a California nonprofit organization, in an amount not to exceed \$50,000 to develop a cultural preservation report for San Francisco's Japantown in accordance with the California Japantown Preservation Pilot Project; Western Addition Project Area A-2

Presenters: Susana Vilardell (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT), THAT ITEM 4 (h) RESOLUTION NO. 47-2004, AUTHORIZING THE EXECUTIVE DIRECTOR 1) TO RECEIVE AND DISBURSE \$50,000 IN SB 307 GRANT FUNDS FROM THE STATE DEPARTMENT OF PARKS AND RECREATION; AND 2) TO ENTER INTO A PERSONAL SERVICES CONTRACT WITH JAPANTOWN TASK FORCE, INC., A CALIFORNIA NONPROFIT ORGANIZATION, IN AN AMOUNT NOT TO EXCEED \$50,000 TO DEVELOP A CULTURAL PRESERVATION REPORT FOR SAN FRANCISCO'S JAPANTOWN IN ACCORDANCE WITH THE CALIFORNIA JAPANTOWN PRESERVATION PILOT PROJECT; WESTERN ADDITION PROJECT AREA A-2, BE ADOPTED.

4 (i) Resolution No. 48-2004, Approving a conditional use authorization to allow a nighttime entertainment use at 657 Harrison Street; Yerba Buena Center Redevelopment Project Area

Presenters: David Habert (Agency staff)

Speakers: Caroline Mei Mei Fox, Matthew Sullivan, Davy Jones, John

Wood

Commissioner Singh asked if property owners were notified of the proposed restaurant. Mr. Singh asked if there was adult entertainment proposed or if it was just a restaurant, and asked what type of performance art was proposed.

Mr. David Habert, Senior Planner, stated that all property owners within a 300-foot boundary of the site were notified, including publication of the Agency's meeting notice in the newspaper. Mr. Habert stated the restaurant would feature entertainment art as part of the dining experience.

Mr. Alex Lustberg, a partner of the Supperclub San Francisco, stated the building would primarily be a restaurant that would serve a five-course meal prepared in an open kitchen, with visual arts projected above the kitchen and the performance art would include singing and an aerial trapeze act and similar emerging or alternative performance art that would otherwise not have a venue in traditional performance theaters, similar to the Teatro Zinzani along the Embarcadero waterfront.

Commissioner Dunlop stated it sounded like a very exciting project and asked if there was adequate funding for the restaurant and that it would not close down after a few months or a year.

Mr. Alex Lustberg stated that the restaurant was fully funded and they have raised over two million dollars for the restaurant. Mr. Lustberg added that the company had similar restaurants in Amsterdam and in Rome, and they were confident that the San Francisco restaurant would be a success.

Commissioner Dunlop put forth a motion to adopt item 4 (i). Commissioner Palamountain seconded the motion.

President Romero thanked the speakers and welcomed the Supperclub to San Francisco and remarked that the City needed more places like the Supperclub.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 48-2004, APPROVING A CONDITIONAL USE AUTHORIZATION TO ALLOW A NIGHTTIME ENTERTAINMENT USE AT 657 HARRISON STREET; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (j) Resolution No. 49-2004, Establishing Park Rules for the Mission Bay

Open Space System; Mission Bay North and South Redevelopment Project Areas

Presenters: Tiffany Bohee (Agency staff)

ADOPTION: IT WAS ADOPTED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON AND MR. YEE ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 49-2004, ESTABLISHING PARK RULES FOR THE MISSION BAY OPEN SPACE SYSTEM; MISSION BAY NORTH AND SOUTH REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

4 (k) Workshop on the Basic Concept Design of Mission Street Senior Housing, 1400 Mission Street at Tenth Street; Mid-Market Redevelopment Survey Area

Presenters: Jeff White (Agency staff), Leo Chou (Skidmore, Owings & Merrill)

Commissioner Palamountain stated she enjoyed the presentation and thanked staff and the architect for their hard work.

Commissioner Dunlop asked if the building design incorporated green sustainable design. Mr. Dunlop thanked staff and the architect for their presentation.

Mr. Leo Chou, Architect, stated that the building design did incorporate green sustainable design and to achieve a silver rating.

Commissioner Singh asked what the green space was on the proposed office building shown on the slide and if it was similar to the open space proposed for the senior housing building.

Mr. Leo Chou stated that the green space on the proposed office building was

also open space and doubled as a rooftop and viewing terrace that would have panoramic views of the Civic Center area.

President Romero pointed to the slide of the proposed senior housing building and requested verification that the building was set back on the upper floors fronting on Mission Street. Mr. Romero asked what the thought process was for the retail space given that accessibility to grocery stores was a concern for senior housing residents.

Mr. Leo Chou stated that the Mission Street elevation on the upper floors was set back to achieve a more thinner, slender and elegant façade in order to break the mass of the building, while maintaining the street wall parallel to Mission Street. Mr. Chou stated that the designated retail spaces on the ground floor were relatively small in area square footage.

Executive Director Rosen added that having a market or grocery store was something that the Mid Market Project Area Committee was talking about with other project sponsors in other parts of Mid Market and the particular project sponsors for 1400 Mission Street were also the owners of the Eighth and Howard Street housing development, which had a large vacant retail space that was to be leased to a grocery store and asked if Mr. Don Falk from the Tenderloin Neighborhood Development Corporation (TNDC) could provide an update.

Mr. Don Falk from TNDC stated that the Harvest Market had gotten underway in the tenant improvement process in the Eighth and Howard Street project and it was hoped that the market would open before the summer. Mr. Falk added that TNDC had not yet given a lot of thought to the retail spaces for the senior housing project because the spaces were too small for a grocery store, but the intent was to provide neighborhood-serving retail that would create needed pedestrian traffic and enliven the community.

Executive Director Rosen added that staff had encouraged the project sponsors to work with Mercy Housing on its housing and commercial project directly across 10th Street on Mission Street between 9th and 10th Street, and that these projects were working collaboratively on the retail and ground floor uses to enliven the neighborhood as it becomes more residential.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Helen Rogers

7. REPORT OF THE PRESIDENT

- President Romero reported that he was continuing on his temporary tenure on the Mayor's 10-year Plan Council to End Chronic Homelessness and the committee on Permanent Supportive Housing, which he chaired, had a workshop the previous Saturday. Mr. Romero publicly thanked Mr. Olson Lee, Deputy Executive Director for Housing for putting together a panel of supportive housing providers that presented various existing models and what resources were available to the City. Mr. Romero also thanked Ms. Pam Sims and Ms. Elizabeth Colomello for their assistance.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Mayor Newsom and Supervisor Sophie Maxwell were sponsoring a town hall meeting for District 10 on Saturday, April 24th from 11:00 a.m. to 1:00 p.m. at the Visitation Valley Elementary School auditorium and Agency staff would be participating at the Mayor's invitation.
- Agency staff along with staff from the Mayor's Office of Housing and other City departments would be participating in what was called

“Rebuilding Together,” formerly known as “Christmas in April” to repaint and re-landscape the Treasure Island School in Treasure Island.

- Special Agency Commission Meeting on Thursday, April 29th at 6:00 p.m. in the Bayview Opera House (Ruth Williams Memorial Theater), 4705 Third Street, between Oakdale and Newcomb Streets. The Special Commission Meeting will consider the approval of the Conveyance Agreement for the Hunters Point Shipyard.
- Mayor Newsom’s next town hall meeting would be for District 6, including the Tenderloin and South of Market area, on Wednesday, May 12th at 6:00 p.m. in the Gene Friend Recreation Center, 276 Sixth Street, and Agency staff would also participate in that as well.
- Reopening of the Fillmore Market on Saturday, May 1st, through November and would include two new features, a jazz café and an arts and crafts market every week, from 9:00 a.m. to 1:00 p.m. on Parcel 732-A, Fillmore and Eddy Streets.
- Hunters Point Shipyard Artists’ Studio Spring Open Sale on the weekend of May 1st and May 2nd at the Shipyard Artists’ complex.
- Executive Director Rosen stated in response to Mrs. Mary Rogers’ comments about the release of the RFQ for a consultant to work on the formation of improvement districts in Western Addition, which she discussed with Mrs. Rogers the day before. A workshop to discuss this matter was scheduled for the next CAC meeting and the purpose for the consultant was to work with the CAC, other community stakeholders including the merchants’ association, and Agency staff to determine the feasibility of the improvement districts. Ms. Rosen pointed out that there was nothing inconsistent with the RFQ process and stated she understood that there was support from the CAC to conduct the workshop.

9. COMMISSIONERS’ QUESTIONS AND MATTERS None.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding terms of a lease with Carmen's Restaurant regarding the site located at Pier 38/40 in the Rincon Point - South Beach Redevelopment Project Area. Agency negotiators: Marcia Rosen, Amy Neches, Tracie Reynolds and Judy Eng.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:51 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

May 04, 2004

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE

29TH DAY OF APRIL 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at the Bayview Opera House (Ruth Williams Memorial Theater), 4705 Third Street, in the City of San Francisco, California, at 6:00 p.m. on the 29th day of April 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 6:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Benny Y. Yee

and the following were absent:

Darshan Singh

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

REGULAR AGENDA

4 (a) Resolution No. 50-2004, Adopting environmental findings pursuant to the California Environmental Quality Act and authorizing execution of the following documents with the United States Department of the Navy concerning the former Hunters Point Naval

Shipyard site: (1) the Conveyance Agreement, (2) the Security Services Cooperative Agreement, and (3) ancillary related documents; and authorizing related actions; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff), Jesse Blout (MOEJD)

Speakers: Maurice Campbell, Elouise Westbrook, Barbara George, Willie Ratcliff, Charlie Walker, Scott Madison, Espanola Jackson, Mary Bull, Francisco Da Costa, Rev. Ted Frazier, Ulysses T. Bill, Lani Asher, Pauline Peele, Oscar James, Michael Boyd, Derek Smith, William Fobbs, Jim Salinas, Kevyn Lutton, Marie Franklin, Raymond Tompkins, Sululagi Palega, Recheal Genochio, Dorris Vincent, Dr. George Davis, Saul Bloom, Lisa Laulu, James Bryant, Norma Faris Taylor, Angelo King, Rev. Gregory Richardson, Piero Patri, Chris Finn, Sam Ripley, Michele Senders

Commissioner King put forth a motion to adopt item 4 (a) and recalled that when he was appointed in 1980 by then Mayor Feinstein to the Redevelopment Agency Commission, his main focus was on the Western Addition and Bayview Hunters communities and to engage and motivate the people to get involved in the revitalization of their communities. Mr. King stated he was proud of the progress that had been made and the approval of the Conveyance Agreement for the Hunters Point Shipyard was a very good step in the right direction to move the Bayview Hunters Point community forward. Mr. King added that Mayor Newsom, Senators Feinstein and Boxer and Congresswoman Pelosi had done a terrific job in shepherding the conveyance of the shipyard and ensuring that federal funds were available for the environmental cleanup. Mr. King urged his fellow Commissioners to move forward and support the approval of the Conveyance Agreement and stated that he believed it was the best agreement the City and the Agency could get.

Commissioner Sexton commended Agency and City staff for doing a fabulous job in putting the conveyance agreement documents together. Ms. Sexton thanked the community for all of its hard work and involvement in the process. Ms. Sexton seconded Commissioner King's motion and lent her support for the approval of the Conveyance Agreement. Ms. Sexton shared that in her work in Oakland's City Attorney's Office, she had been involved in the Oakland Base Reuse Authority and their negotiations with the U.S. Navy have yet to achieve anything remotely close to what the City and Agency staff had achieved in the Hunters Point Shipyard and their work was remarkable. Ms. Sexton stated she shared the same concerns about environmental issues brought up by members of the public and recognized that the Conveyance Agreement was a framework document that set forth the process for transferring of parcels to the Agency, and

noted that there was nothing in the documents that required staff to come back to the Commission to ensure that all of the conditions for transfer or closing had been met. Ms. Sexton requested that staff come back to the Commission before it exercised any transaction and to present the process so that the Commission and the community have an opportunity to comment and provide its input.

Executive Director Rosen stated that staff would be happy to comply with Commissioner Sexton's request and added that before any parcel could be closed, a resolution must be adopted by the Agency Commission accepting conveyance after reviewing all of the relevant materials, including conditions for closing, assurances from regulators and the Agency's independent investigations.

Commissioner Sexton stated she wanted to reiterate that the Conveyance Agreement did not require the Agency to accept any parcel nor did it require the Agency to move forward and likewise, the Disposition and Development Agreement (DDA) with Lennar/BVHP did not require the Agency to proceed. Ms. Sexton stated that agreement puts in place the process in which the Agency, City and the Navy would work in cleaning up the parcels and transferring them to the Agency, and if the conditions were not met, transfer would not occur.

Commissioner Sexton inquired about the Security Services Cooperative Agreement, but the document did not have any dollar amounts in it and asked if staff had the funding amounts for the agreement.

Mr. Don Capobres, Senior Project Manager, stated that Appendix 3 of the Security Services Cooperative Agreement outlined an estimated budget, but staff was still working on putting out a bid for the agreement. Mr. Capobres acknowledged comments from the public that indicated a desire to participate in the provision of security services for the Shipyard, and staff was in the process of preparing a public solicitation process for the services.

Commissioner Yee thanked the community for coming to the meeting and showing its support for the project and stated he believed that when there are important community issues to be discussed, Commission meetings should be held in the respective communities to show the Agency's commitment to the community's well-being and to receive the community's input first hand. Mr. Yee recalled Professor Tompkins comments about underground contamination and urged staff to take note and ensure that the Navy cleaned up the parcels to the highest environmental standards. Mr. Yee stated there had been four long years of hard work by the community at large, the Citizens' Advisory

Committee (CAC), Agency and City staff on the conveyance of the Shipyard and thanked everyone involved for their hard work and participation. Mr. Yee lent his support for the approval of the Conveyance Agreement for the Hunters Point Shipyard.

Commissioner Dunlop thanked the community for coming to the meeting and letting the Commission hear about its concerns about the project. Mr. Dunlop reiterated that the Conveyance Agreement before the Commission was not the actual conveyance of parcels, rather it represented a roadmap for the conveyance of the parcels after cleanup by the Navy. Mr. Dunlop stated that the process for the conveyance of the Shipyard was not rushed-through as was stated by some of the speakers, because the Agency had been in negotiations for at least as long as he had been an Agency Commissioner, which had been seven years. The Conveyance Agreement itself would not create jobs for the community, but the Hunters Point Shipyard project would indeed create much needed jobs and would fulfill many of the community's needs including economic development. Mr. Dunlop thanked the community for its hard work as well as the City and Agency staff, and lent his support for the approval of the Conveyance Agreement.

Commissioner Palamountain stated she was moved by some of the public's testimony and that it was important for the community to let the Commission know its concerns and organizations like the Rotary Club and other small business were in the best position to advise the Agency on how best to formulate the community benefits package so that it truly addressed the community's needs. Ms. Palamountain urged members of the community to get involved now in the discussion of the community benefits package and to contact Agency staff like Mr. Don Capobres, Ms. Gaynell Armstrong and Ms. Nicole Franklin on how to participate in that process. Ms. Palamountain stated that since the environmental standards contained in the Conveyance Agreement set a higher benchmark than the general standards contemplated in the Final Environmental Impact Report (EIR), she did not see any need for additional environmental analysis. Likewise, the phasing of the project did not require additional environmental review because the Final EIR did contemplate a phased project. Ms. Palamountain stated she believed that the Conveyance Agreement was a significant document because it stated that if the Navy cleaned up the parcels to the standards outlined in the Conveyance Agreement, then the Agency must accept the parcels and that it was important to her that the standards outlined in the agreement were standards that the Agency was willing to accept if the Environmental Protection Agency (EPA) and the City/Agency's independent reviewers found that those standards had been met by the Navy. Ms. Palamountain stated she was comfortable with the ten to the negative six-hazard index for cancer and also contemplated including other conditions such as asthma. Ms. Palamountain shared that she had met with representatives from the EPA and discussed the standards for measuring the likelihood of occurrences of conditions like asthma in the Bayview and stated she felt comfortable with the standards used by the EPA. Ms. Palamountain stated there was mention about

modifications to the Parcel B standards and asked what the anticipated process was for Parcel B specifically.

Mr. Jess Blout, Director of the Mayor's Office of Economic and Job Development, stated that concerns raised by the community focused on the Navy's current approach to the cleanup of Parcel B since completion of the Record of Decision in 1997, where the Navy now used a process called Explanation of Significant Difference (ESD), which had a much lower bar for community input, as opposed to an amendment of the Record of Decision, which had a much more robust process for community input and participation.

Commissioner Palamountain stated that the Navy retained the right to select a methodology for cleanup and requested verification that the selected methodology for cleanup did not affect the cleanup standards.

Mr. Blout affirmed that the selected methodology by the Navy did not affect the cleanup standards and under the law, the Navy was the responsible party in the cleanup of the parcels under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), and the Navy must chose the methodology under which they would achieve cleanup. The agreement stipulated that the Navy was the lead and responsible party who had the ultimate decision as to what methodology it would use to clean up portions of the Shipyard. Mr. Blout stated he wanted to make a distinction between the contractual obligations of the Navy in its agreement with the Redevelopment Agency, where the Navy was bound to achieve certain standards, which were the risk-based standards that stated what the condition of the property needed to be in, in order to convey it to the Agency, and the methodology, which was up to the Navy with input from the regulatory bodies.

Commissioner Palamountain noted that the Conveyance Agreement established a partnership between the Navy, the community and the City and stated it was important to her that the Restoration Advisory Board (RAB) was a part of the community in its involvement in the process and that the RAB would have participation and input in the cleanup of Parcels E and F. Ms. Palamountain requested verification of the City's position in recognizing the RAB as a part of the community review process.

Mr. Blout stated the City and the Mayor believed that the RAB was an important and critical element in the definition of the community within the collaborative partnership in the cleanup of the Shipyard, including cleanup of Parcels E and F.

Commissioner Palamountain requested an explanation of the “technically impracticable” standard in the Conveyance Agreement. Ms. Palamountain asked staff to address the issue of adjacency of parcels and how the agreement contemplated cleanup efforts going on while development was proceeding.

Ms. Amy Brownell of the Department of Public Health stated there were two instances where the technically impracticable standard would be invoked: one would relate to ground water contamination where the Navy could argue that there was no available technology to remedy the contamination to the cleanup standards, and another where the contamination was deemed to be so pervasive that remediation would be cost-prohibitive. Ms. Brownell added that throughout this process, the regulators and the public would have extensive input and approval of the cleanup procedures. Ms. Brownell stated that the regulators would have input in the adjacency issues while cleanup was taking place to ensure that there was no contamination to the workers, first of all, and to anyone else in the community that may be exposed. Ms. Brownell added that there would be an extensive public process for each of the parcel cleanup by the regulators, the community, and the City’s own technical and environmental consultants.

Commissioner Palamountain inquired about Article 24 of the Conveyance Agreement, which dealt with liabilities for environmental contaminations and noted that the article stated that the Navy was liable for environmental impacts and damage located on the property prior to the date of conveyance, and asked what the Navy’s liability would be if environmental damage was found prior to conveyance, but there was no harm until after conveyance.

Mr. Michael Cohen, Deputy City Attorney, stated there were two protections under two separate laws. First, under Section 128 of CERCLA, if something was found in the ground after the transfer and after the City accepted property without knowing this, the City would have the legal ability to go back to the Navy and make them remove it. The second is Section 330 of the Base Realignment and Closure Act (BRAC) closure process where there was a recognition ten years ago that many of the military bases were contaminated. While the U.S. government rarely gave an indemnity, Congress passed statutory indemnity that provided that should subsequent owners, users, and tenants be damaged by environmental contamination, the Navy was legally liable for that damage. Mr. Cohen added that the City had a second layer of protection before a piece of property was brought to the Agency for acceptance, and that was the procurement of environmental insurance. If there was a claim upon the Navy, it may take a very long time to get the claim paid, and the environmental insurance would pay for the claim and the insurance company would subrogate a claim against the U.S. Navy and the same thing was true with a third-party liability

claim under the Section 330 indemnity.

Commissioner Palamountain thanked Mr. Jesse Blout and Mr. Michael Cohen for their hard work on the Conveyance Agreement and stated her support for the approval of the Conveyance Agreement.

President Romero thanked everyone for coming to the special meeting and stated it was very important for the Commission to hear the community's concerns.

Mr. Romero agreed with earlier testimonies that there were no perfect agreements or plans and the delays in the development of the Shipyard was a lot more than just a few years, but in fact over 30 years since the base was closed. Mr. Romero recalled testimonies about the importance of jobs for the community and stated that even though on the surface, the matter before the Commission did not directly discuss jobs, he stated that the Commission's approval of the Conveyance Agreement was a significant step in the development of the Shipyard, which would produce not only jobs, but overall revitalization of the community. Mr. Romero added that the community, the City and Agency, and the developer were headed in the right direction. Mr. Romero asked the General Counsel to clarify the substitute resolution provided to the Commission just prior to the meeting.

General Counsel Morales stated that staff had provided the Commission with a corrected version of the resolution, which corrected typographical errors and there were no material changes to the resolution.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. SEXTON, THAT ITEM 4 (a) RESOLUTION NO. 50-2004, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING EXECUTION OF THE FOLLOWING DOCUMENTS WITH THE UNITED STATES DEPARTMENT OF THE NAVY CONCERNING THE FORMER HUNTERS POINT NAVAL SHIPYARD SITE: (1) THE CONVEYANCE AGREEMENT, (2) THE SECURITY SERVICES COOPERATIVE AGREEMENT, AND (3) ANCILLARY RELATED DOCUMENTS; AND AUTHORIZING RELATED ACTIONS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Mr. King

Ms. Palamountain

Ms. Sexton

Mr. Yee

Mr. Romero

And the following were absent:

Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION 50-2004 WAS ADOPTED.

5. **MATTERS NOT APPEARING ON THE AGENDA** None.

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

- Scott Madison

7. **REPORT OF THE PRESIDENT** None.

8. **REPORT OF THE EXECUTIVE DIRECTOR** None.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO,

AND

MINUTES OF A SPECIAL MEETING OF THE CITY AND
COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING
AUTHORITY HELD ON THE 4TH DAY OF MAY 2004

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 4th day of May 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

and the following were absent:

Mark Dunlop, Vice-President

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of April 20, 2004

President Romero asked that page 8 of the minutes, fourth paragraph, first sentence be revised to add the word "not" so that his statement read: "...and stated he would **not** speak to the merits of the project."

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF APRIL 20, 2004, BE ADOPTED.

At this time, approximately 4:05 p.m., the Agency Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:06 p.m. on the 4th day of May 2004, at the place and date duly established for holding of such a meeting.

1. Election of Officers (calendar year 2004): Chairman, Vice-Chairman, Secretary and Treasurer.

MS. SEXTON NOMINATED RAMON E. ROMERO FOR THE OFFICE OF BOARD CHAIRMAN. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT RAMON E. ROMERO AS BOARD PRESIDENT.

Ms. Sexton nominated Mark Dunlop for the office of Vice-Chairman. Ms. Palamountain seconded the nomination.

Mr. Yee nominated Leroy King for the office of Vice-Chairman. Mr. Singh seconded the nomination.

Mr. Yee asked if a board member who was absent could be nominated for office.

General Counsel Morales stated that a board member need not be present to be nominated and elected to office.

Ms. Sexton withdrew her nomination of Mark Dunlop. Ms. Palamountain

withdrew her second to the nomination.

MR. YEE NOMINATED LEROY KING FOR THE OFFICE OF BOARD VICE-CHAIRMAN. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT LEROY KING AS BOARD VICE-CHAIRMAN.

MS. SEXTON NOMINATED ERWIN R. TANJUAQUIO FOR THE OFFICE OF BOARD SECRETARY. MR. SINGH SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT ERWIN R. TANJUAQUIO AS BOARD SECRETARY.

MR. SINGH NOMINATED AYISHA BENHAM FOR THE OFFICE OF BOARD TREASURER. MS. SEXTON SECONDED THE NOMINATION. THE BOARD VOTED UNANIMOUSLY TO ELECT AYISHA BENHAM AS BOARD TREASURER.

- **MATTERS OF NEW BUSINESS:**

2 (a) Resolution No. 1-2004, Appointing signatories to execute duly authorized contracts, instruments, agreements or any other documents in the name of and on behalf of the Financing Authority.

Presenters: Marcia Rosen, Executive Director

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 2 (a) RESOLUTION NO. 1-2004, APPOINTING SIGNATORIES TO EXECUTE DULY AUTHORIZED CONTRACTS, INSTRUMENTS, AGREEMENTS OR ANY OTHER DOCUMENTS IN THE NAME OF AND ON BEHALF OF THE FINANCING AUTHORITY, BE ADOPTED.

2 (b) Resolution No. 2-2004, Authorizing the issuance of 2004 Series C Tax Allocation Revenue Bonds and 2004 Series D Taxable Tax Allocation Revenue Bonds in an initial aggregate principal amount not to exceed \$60,000,000; approving forms of indentures of trust, loan

agreements and an official statement, authorizing the competitive sale of the bonds, and authorizing and approving other matters properly relating thereto.

Presenters: Mario Menchini (Agency staff)

Speakers: Mary Helen Rogers

Board Member Sexton asked what the changes were in the substitute resolution provided to the Board.

Mr. Mario Menchini, Senior Financial Analyst, explained that the original resolution had to be corrected because it stated that loans would be made to the Hunters Point and India Basin Industrial Park Redevelopment Project Areas and that was not the case. In addition, the original resolution should have included the merged project of Golden Gateway and South of Market, and the interest rate of the bonds should have been seven percent, instead of six percent.

Board member Sexton stated this was probably a good thing to move forward, but she was uncomfortable supporting the issuance of the bonds because she did not have enough time to review all of the underlying documents, and as a finance attorney it was important to her to have sufficient time to review the documents. Ms. Sexton stated she made her position clear to staff that she required adequate time to review bond documents and therefore, for that reason only, would not support the bond issuance.

Board member Palamountain put forth a motion to continue the matter until the next Commission meeting on May 18th, as a matter of courtesy to Ms. Sexton. Ms. Palamountain stated that bond counsel need not be in attendance at the continued meeting.

Board member Singh seconded the motion to continue the matter to the Commission meeting of May 18th.

MOTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 2 (b) RESOLUTION NO. 2-2004, AUTHORIZING THE ISSUANCE OF 2004 SERIES C TAX ALLOCATION REVENUE BONDS AND 2004 SERIES D TAXABLE TAX ALLOCATION REVENUE BONDS IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000; APPROVING FORMS OF INDENTURES OF TRUST, LOAN AGREEMENTS AND AN OFFICIAL STATEMENT, AUTHORIZING THE COMPETITIVE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO, BE CONTINUED TO THE COMMISSION MEETING OF MAY 18, 2004.

3. Adjournment

It was moved by Ms. Palamountain, seconded by Ms. Sexton, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:21 p.m.

The Commission reconvened at 4:22 p.m. to consider the remaining
Agenda

REGULAR AGENDA

4 (b) Resolution No. 51-2004, Authorizing the execution of loan agreements in an aggregate principal amount not to exceed \$60,000,000 relating to the issuance of 2004 Series C Tax Allocation Revenue Bonds and 2004 Series D Taxable Tax Allocation Revenue Bonds by the City and County of San Francisco Redevelopment Financing Authority, approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto; Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point - South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, And Yerba Buena Center Redevelopment Project Area

MOTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY

MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 51-2004, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 RELATING TO THE ISSUANCE OF 2004 SERIES C TAX ALLOCATION REVENUE BONDS AND 2004 SERIES D TAXABLE TAX ALLOCATION REVENUE BONDS BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE CONTINUED TO THE COMMISSION MEETING OF MAY 18, 2004.

4 (c) Resolution No. 52-2004, Commending and expressing appreciation to Beverly Marino for her services upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: James B. Morales (Agency staff)

Ms. Beverly Marino addressed the Commission and thanked the Commissioners for their hard work as well as the hard-working legal division of the Agency.

President Romero congratulated Ms. Beverly Marino for her dedication and long service to the Agency. Mr. Romero commended Ms. Marino for her hard work with the Agency's lawyers and wished her a happy retirement.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 52-2004, COMMENDING AND EXPRESSING APPRECIATION TO BEVERLY MARINO FOR HER SERVICES UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT

AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4 (d) Resolution No. 53-2004, Authorizing an increase of \$1,000,000 to the Basement and Sidewalk Enhancement Program for a total aggregate amount not to exceed \$2,000,000 to provide funds to property owners for structural support for improved sidewalks along Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: Henry Karnilowicz, Magne Jeimoen

Commissioner Sexton put forth a motion to adopt item 4 (d) and commended staff in particular, Mr. William Carney for all the hard work on Sixth Street. Ms. Sexton shared that she walked up Sixth Street on her way home and although there had been a slow progressive change, she was very impressed with the improved quality of the neighborhood and thanked staff for doing a terrific job in revitalizing Sixth Street and the surrounding area.

President Romero lent his support for the item and stated he was glad to see the support from the residents and business along Sixth Street.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT), THAT ITEM 4 (d) RESOLUTION NO. 53-2004, AUTHORIZING AN INCREASE OF \$1,000,000 TO THE BASEMENT AND SIDEWALK ENHANCEMENT PROGRAM FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,000,000 TO PROVIDE FUNDS TO PROPERTY OWNERS FOR STRUCTURAL SUPPORT FOR IMPROVED SIDEWALKS ALONG SIXTH STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (e) Resolution No. 54-2004, Conditionally approving the schematic design submitted by Fillmore Development Associates, LLC, a California limited liability company, for Agency Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; Western Addition Redevelopment Area A-2

Presenters: Elena Branick (Agency staff), Marshall Purnell (Devroux & Purnell Architects)

Speakers: Mary Helen Rogers, Wade Woods, Terry Collins, Redmond Kernan, Mark Hornberger, London Breed, Michael Johnson, Rev. Ted Frazier, Dewayne Oakley, Raymond Martin, Angelo King, Carmen Johnson

Commissioner Yee shared that since he returned from London, he had occasioned to have lunch with a few small contractors who informed him that they were losing money on their projects because the cost of lumber in just the last three weeks, had increased by 35%, and the sooner that Parcel 732-A moved forward, the better it is for the developer because it would not suffer further financial setbacks. Mr. Yee stated he thought that the schematic design was wonderful and that the architects working on the project were from a reputable architectural firm. Mr. Yee put forth a motion to adopt item 4 (e).

Commissioner Palamountain stated there had been a few changes made to the project in the last few weeks and she appreciated the hard work of the architects to incorporate those changes into the building's design. Ms. Palamountain stated she thought it made sense to integrate the taller buildings in the area together as well as the stair stepping of the building's mass. Ms. Palamountain asked if wind studies had been done for the project because of the potential wind tunneling effect of adjacent tall structures especially along Fillmore Street.

Ms. Elena Branick, Senior Architect, stated that during the preliminary construction document stage, staff would ask the architect of record to conduct a wind study including mitigation measures should there be negative wind impacts.

Commissioner Palamountain stated she would be very interested in hearing about the results of the wind study because of a significant number of elderly residents in the area that would be affected by uncomfortable wind conditions. Ms. Palamountain stated she had some concerns with the parking entrances for

the residential and commercial components, which were situated right next to each other and might be confusing for residents and the general public.

Ms. Branick informed the Commission that the residents would know where the residential parking entrance would be and the commercial parking garage would have its own visible signage, and would be part of a Master Signage Plan for the project.

Commissioner Palamountain noted that staff had a lot of conditions on the schematic design approval and although she agreed with the public's comments to move expeditiously with the project, she was concerned with the 15 conditions, which meant that there were still numerous issues to be resolved. Ms. Palamountain stated she had not seen that many conditions imposed upon a schematic design of a project, and she would not ordinarily approve a schematic design with that many conditions. Ms. Palamountain stated she agreed with staff's condition regarding the articulation of the tower and low-rise elements of the building in particular, the space above Yoshi's Restaurant, where it seemed like the initially proposed office building that was above Yoshi's Restaurant had been lifted off the building. Ms. Palamountain stated she would be interested in hearing solutions to the visual impact of the building's mass. Ms. Palamountain requested verification that the next stage of approval for the project was the consideration of a Disposition and Development Agreement (DDA), and stated she looked forward to that approval.

Executive Director Rosen stated that a predevelopment loan and a DDA was tentatively scheduled (pending Agenda-setting), for the Commission meeting of May 18th, and assured the Commission that staff was actively working, on a daily basis, in negotiations with Mr. Michael Johnson to resolve the remaining issues.

Commissioner Palamountain stated she heard comments about the toxics issue on the parcel, but that it was the first time the matter was brought to the Commission's attention and requested staff briefing on the matter. Ms. Palamountain stated the project had tremendous public support, and the Agency was committed to completing the unfinished agenda in Western Addition, including the development of the Muni substation parcel, and she wanted to inform everyone that given the substantial amount of public subsidy committed for Parcel 732-A, she would look very cautiously on any requests for additional subsidies that would inhibit the Agency's ability to fund the remaining projects in Western Addition. Ms. Palamountain seconded Commissioner Yee's motion to adopt item 4 (e).

Commissioner King stated that it was very important to move the project forward because he believed that there would be an uprising from the community if the project is further delayed. Mr. King stated that staff had been working very hard with the developer and urged the Commission to approve the schematic design and move the project forward.

Commissioner Yee stated he had always been concerned with the toxics issue on the parcel and asked if staff had an estimated costs for the toxic remediation.

Executive Director Rosen stated that staff had done the environmental studies for the site and had estimates for the remediation, and staff had confirmed that the Agency was exempt from certain fees that the developer feared, so the costs were within the remediation budget. Ms. Rosen stated that had she known the matter was going to be brought to the Commission's attention, when only the schematic design approval was before the Commission, she would have briefed the Commission, but staff was continuing to work diligently with the developer and was optimistic that the matter would be resolved.

President Romero stated he had the same concerns as Commissioner Palamountain and would support her positions on the number of staff conditions on the schematic design approval as well as the toxics issue. Mr. Romero stated that the Commission had previously granted extensions on the negotiations to accommodate the complexity of the project, but the project was "down to the wire" and although he recognized that negotiations were difficult, he was very concerned with the numerous issues yet to be resolved between the Agency and the developer. Mr. Romero stated he would very interested in seeing what would be presented to the Commission in two weeks time.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 54-2004, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN SUBMITTED BY FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR AGENCY PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT AREA A-2, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Helen Rogers

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Fillmore Merchants Association Spring Cleaning event on May 15th from Geary Boulevard to Fulton Street.
- Community meeting sponsored by the Western Addition CAC on May 19th at 6:00 p.m. in the West Bay Conference Center, to discuss proposed Business Improvement Districts in Western Addition.
- Attended the opening of the Fillmore Farmers Market on May 1st, along with Commissioner Sexton and members of the community. The market would be open every Saturday from 9:00 a.m. to 1:00 p.m. and this year, the Promotions Office had expanded the market to include an outdoor jazz café, with Marcus Shelby performing and in one month, an arts market as well. Assemblyman Mark Leno was in attendance and presented a Certificate of Appreciation to the Fillmore Farmers Market.
- Muni substation site – bird abatement and cleanup had been completed and the contractor was working on the window screens and roof patches to prevent re-infestation as well as power-washing the building. The wooden building adjacent to the substation had been demolished. The Agency's engineering consultants would begin the seismic upgrade study of the building and present recommendations to the Agency for the

seismic upgrade in preparation for adaptive reuse of the historic landmark building.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Sexton requested an update report on the cultural institutions in Yerba Buena Center.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

(b) Pursuant to Government Code Section 54956.9(a): Conference with Legal Counsel regarding existing litigation: Won Woong Im, et al. v. Jin Construction & Electric Co., et al., United States District Court Case No. C 04-01038 SI.

(c) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding terms of a lease with the Mexican Museum regarding the site located on the east side of Jessie Square on Central Block One in the Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, William Carney, Amy Neches, Tracie Reynolds, and Judy Eng.

(d) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding terms of the Disposition and Development Agreement with the Contemporary Jewish Museum regarding the Jessie Street

Substation site located on the north side of Jessie Square on Central Block One in the Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, William Carney, Amy Neches, Tracie Reynolds, and Judy Eng.

11. ADJOURNMENT

It was moved by Ms. Palamountain, seconded by Ms. Sexton, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:43 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

May 18, 2004

MINUTES OF A REGULAR MEETING OF THE

REDEVELOPMENT AGENCY OF THE CITY AND

COUNTY OF SAN FRANCISCO,

AND

MINUTES OF A SPECIAL MEETING OF THE CITY AND

COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING
AUTHORITY HELD ON THE 18TH DAY OF MAY 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 18th day of May 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No reportable action.

At this time, approximately 4:02 p.m., the Agency Commission recessed to consider items on the Financing Authority Agenda.

The City and County of San Francisco Redevelopment Financing Authority met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:03 p.m. on the 18th day of May 2004, at the place and date duly established for holding of such a meeting.

1. Matters of Unfinished Business:

**CONTINUED FROM THE MAY 4, 2004 SPECIAL FINANCING
AUTHORITY MEETING**

1 (a) Resolution No. 2-2004, Authorizing the issuance of 2004 Series C Tax Allocation Revenue Bonds and 2004 Series D Taxable Tax Allocation Revenue Bonds in an initial aggregate principal amount not to exceed \$60,000,000, approving forms of indentures of trust, loan agreements and an official statement, authorizing the competitive sale of the bonds, and authorizing and approving other matters properly relating thereto.

Presenters: Mario Menchini (Agency staff)

Speakers: Mary Helen Rogers

Board member Sexton put forth a motion to adopt item 1 (a) and informed the public that the amounts for each project area were set forth in the official statement of the bond issuance.

Board member Dunlop seconded Ms. Sexton's motion to adopt item 1 (a).

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 1 (a) RESOLUTION NO. 2-2004, AUTHORIZING THE ISSUANCE OF 2004 SERIES C TAX ALLOCATION REVENUE BONDS AND 2004 SERIES D TAXABLE TAX ALLOCATION REVENUE BONDS IN AN INITIAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000, APPROVING FORMS OF INDENTURES OF TRUST, LOAN AGREEMENTS AND AN OFFICIAL STATEMENT, AUTHORIZING THE COMPETITIVE SALE OF THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO, BE ADOPTED.

2. Matters of New Business: None.

3. Persons Wishing To Address The Financing Authority On Non-Agenda, But Authority-Related Matters. **None.**

4. Adjournment:

It was moved by Mr. Dunlop, seconded by Mr. Yee, and unanimously carried that the Financing Authority meeting be adjourned. The meeting adjourned at 4:08 p.m.

The Commission reconvened at 4:09 p.m. to consider the remaining
Agenda

3. **MATTERS OF UNFINISHED BUSINESS:**

CONTINUED FROM THE MAY 4, 2004 COMMISSION MEETING

3 (a) Resolution No. 51-2004, Authorizing the execution of loan agreements in an aggregate principal amount not to exceed \$60,000,000 relating to the issuance of 2004 Series C Tax Allocation Revenue Bonds and 2004 Series D Taxable Tax Allocation Revenue Bonds by the City and County of San Francisco Redevelopment Financing Authority, approving the final official statement relating to the bonds, and authorizing and approving other matters properly relating thereto; Rincon Point - South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, Yerba Buena Center Redevelopment Project Area, and Merged Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area/South of Market Earthquake Recovery Redevelopment Project Area/Federal Office Building Project Area

Presenters: Mario Menchini (Agency staff)

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 3 (a) RESOLUTION NO. 51-2004, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$60,000,000 RELATING TO THE ISSUANCE OF 2004 SERIES C TAX ALLOCATION REVENUE BONDS AND 2004 SERIES D TAXABLE TAX ALLOCATION REVENUE BONDS BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, AND MERGED EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA/SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA/FEDERAL OFFICE BUILDING PROJECT AREA, BE ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Special meeting of April 29th and regular meeting (including special meeting of the Redevelopment Financing Authority) of May 4, 2004

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: SPECIAL MEETING OF APRIL 29TH AND REGULAR MEETING (INCLUDING SPECIAL MEETING OF THE REDEVELOPMENT FINANCING AUTHORITY) OF MAY 4, 2004, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 55-2004, Adopting a Preliminary Negative Declaration for the Western Addition A-2 Plan Amendment; Western Addition Redevelopment Project Area A-2

Presenters: Michael Grisso (Agency staff)

Speakers: Rod Van, Mary Helen Rogers

Commissioner Palamountain stated in response to Mr. Rod Van's comments, that the site for Parcel A did not include the adjacent hotel and the existing site was vacant and was used as a parking lot, and the same was true for Parcel C. There was no intention to remove any Single Room Occupancy (SRO) hotels, and in the Agency's South of Market project area, the Agency had been very actively involved in the maintenance and rehabilitation of existing SRO units. Ms. Palamountain informed the public that they can speak with Ms. Shirley Wysinger, Senior Project Manager for Western Addition about the proposed project including any available models or architectural renderings. Ms. Palamountain stated that the increased density and height for the proposed senior housing project would make the project more feasible and would maximize the number of units available to the senior population. An added benefit of the senior housing project was that it would not require as much parking since many of the elderly residents would not be driving, therefore the project would not generate as much vehicular traffic as regular residential projects would. Ms. Palamountain stated in response to Mrs. Mary Rogers' comments, that only Parcels A and C were designated for senior housing development, and other Central Freeway parcels that become available for development would be developed with non-senior housing including family housing. Ms. Palamountain stated she would look at the issue of shadow impacts on the Rosa Parks block when the building design approval was before the Commission. Ms. Palamountain stated she agreed that no further environmental studies were required and put forth a motion to adopt item 4 (b).

Commissioner Dunlop seconded Commissioner Palamountain's motion and stated that the development of senior housing on Parcels A and C would provide an opportunity to concentrate the needed senior services to serve a significant number of elderly residents.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 55-2004, ADOPTING A PRELIMINARY NEGATIVE DECLARATION FOR THE WESTERN ADDITION A-2 PLAN

AMENDMENT; WESTERN ADDITION REDEVELOPMENT PROJECT
AREA A-2, BE ADOPTED.

Items 4 (c) and 4 (d) were presented together and acted upon separately.

4 (c) Resolution No. 56-2004, Authorizing a Disposition and Development Agreement with Fillmore Development Associates, LLC, a California limited liability company, which includes modifications of density requirements, for the proposed mixed-use project at Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; and making findings under the California Environmental Quality Act and pursuant to California Health and Safety Code Section 33445; Western Addition Redevelopment Project Area A-2

4 (d) Resolution No. 57-2004, Authorizing the Executive Director to enter into a Predevelopment Loan Agreement with Fillmore Development Associates, LLC, a California limited liability company, in an amount not to exceed \$1,250,000, for a proposed mixed-use project at Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; Western Addition Redevelopment Project Area A-2

Presenters: Joanne Sakai (Agency staff)

Speakers: Mary Helen Rogers, Michael Johnson, Monetta White, Ingrid

Merriwether, Melody Powers, Rev. Ted Frazier

Commissioner King put forth a motion to adopt item 4 (c) and stated that the development of Parcel 732-A was a significant step for the community and the Agency in that it is the last major parcel to be developed in Western Addition. Mr. King recalled his appointment to the Commission in 1980 by then Mayor Dianne Feinstein and stated he was very proud to see the progress that had been made. Mr. King congratulated the staff, community and the developer on the progress made.

Commissioner Yee requested verification that the land value was \$6.5 million and Fillmore Development Associates' (FDA) profit was \$4 million. Mr. Yee asked what the developer's equity was for the project. Mr. Yee requested clarification about the below-market interest rate for the proposed predevelopment loan to FDA.

Ms. Joanne Sakai, Deputy Executive Director for Community and Economic Development, affirmed that the land value of the Parcel 732-A site was \$6.5 million, and if the developer met its projections based on the latest pro-forma, the developer fees and profits from the project would be over \$4 million. Ms. Sakai stated that FDA had an equity investment of \$704,000 and the other member of the development team MDI/MDJ LLC, would provide construction financing in the amount of \$750,000. Ms. Sakai stated that staff conducted research on interest rates for unsecured financing, which were in the range of 13 to 20%, well above the proposed 8% interest rate for FDA's predevelopment loan.

Commissioner Yee recalled public testimony that the Agency's subsidy for Parcel 732-A was substantially less than other Agency development projects and asked staff to provide a rationale for the subsidy amount for Parcel 732-A.

Executive Director Rosen stated that a member of the public had pointed to another predevelopment loan, which was for a 100% affordable housing development with restricted developer fees built in and no profit. The Parcel 732-A project was entirely a for-profit enterprise, which included both a guaranteed developer fee and the ability to receive unrestricted profit on the market-rate units, and the number of affordable housing units represented only the inclusionary percentage. Ms. Rosen stated the Agency was putting in substantial subsidies including: the construction of the public parking garage at a cost of about \$4.7 million entirely paid for by public funds; a below market-rate predevelopment loan of \$1,250,000; the deferral of land sale proceeds, whereby unlike ordinary real estate transactions in which the developer would have to purchase the site first, in this case the Agency allowed the developer to defer paying for the land until after the sale of the housing units. In addition, as directed by the Commission, the Agency would reinvest the land sale proceeds into the economic development and cultural uses that the Commission mandated for the development of the site, so the land sale proceeds would go back into the project at below-market deferred subordinate debt to Yoshi's and the restaurant. Ms. Rosen stated that this was a

unique public-private venture in which the Agency would use its financing powers and ownership of the land to leverage the kind of private development that would otherwise not be economically feasible and still allow the developer to make substantial gain on a very limited equity investment. She concluded that the transaction was structured to fulfill the goals that the Commission set forth when it approved the term sheet for the project.

Commissioner Yee thanked the Executive Director for the articulate, clear and eloquent response and stated he was happy and honored to second Commissioner King's motion to adopt item 4 (c).

Commissioner Sexton expressed her appreciation and commended staff for its tremendous hard work on the project and recalled that her first Commission meeting was the selection of FDA as the developer two years ago, and was pleasantly surprised with the significant progress that had been made. Ms. Sexton inquired about the schedule of performance and asked what was staff's realistic anticipation of when construction would commence.

Ms. Sakai stated that one of the large contingency for the project was the provision of all construction financing, which FDA had met. However, staff learned a week ago that the major construction lender did not agree to accept the conditions of the Disposition and Development Agreement (DDA) upon foreclosure, leaving open the possibility that the construction lender may be substituted, so that could cause a delay. Agency staff had targeted the end of the calendar year for a substitution of the construction lender if necessary. It might be possible to have a groundbreaking this summer with many of the predevelopment activities also commencing.

Commissioner Palamountain stated she had no problem with the public benefit finding required by the Community Redevelopment Law, and that the project would indeed be beneficial to the immediate neighborhood and that there was no other reasonable means of financing the project and that the expenditure of public funds would assist in the elimination of blight in the community. Ms. Palamountain stated that with all of the challenges that the project had endured, she wanted to take a moment to offer her heartfelt congratulations to staff for its diligence, hard work and creativity in meeting the project's challenges, a sincere and heartfelt congratulations to Mr. Michael

Johnson and his team. Ms. Palamountain recalled a conversation with Mr. Johnson a few months ago where there were feelings of frustrations about the project's progress, but that Mr. Johnson and his team had taken an enormous step in completing negotiations for the approval of the DDA. Ms. Palamountain stated she looked forward to the groundbreaking event and added that she would take time off work to attend the momentous event.

President Romero stated that for those familiar with the project, it had not been an easy road to the historic moment of approving the DDA and given the long history and challenges of Parcel 732-A, including the difficult economic climate, it was amazing that the project had made as much progress as it did. Mr. Romero offered his congratulations to staff in its vigilance to complete the negotiations and to Mr. Michael Johnson and his team for its commitment and hard work. Mr. Romero stated he looked forward not to celebrate the groundbreaking, but instead to sit at Yoshi's and listen to great jazz music and not have to go to the East Bay.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 56-2004, AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, WHICH INCLUDES MODIFICATIONS OF DENSITY REQUIREMENTS, FOR THE PROPOSED MIXED-USE PROJECT AT PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 57-2004, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A PREDEVELOPMENT LOAN AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED \$1,250,000, FOR A PROPOSED MIXED-USE PROJECT AT PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (e) Resolution No. 58-2004, Authorizing a First Amendment to the Sublease Agreement with Carmen and Benito Solis, doing business as Carmen's Restaurant, on a portion of the bulkhead building and property located at Pier 38/40; Rincon Point-South Beach Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Charles McClinton

Commissioner Singh asked what was a bulkhead building, what the lease term was for Carmen's Restaurant and the amount of the lease.

Ms. Amy Neches, Senior Project Manager, pointed to a diagram of the South Beach Harbor and described the bulkhead building, which were the buildings that fronted the piers along the Embarcadero on the land side of the waterfront. Ms. Neches stated that the lease term for Carmen's Restaurant was for an additional two years and the amount of the lease was 75 cents per square foot, and the lease would increase in \$200 increments every six months.

Commissioner Singh asked what other similar establishments in the area were paying for leases and why the lease amount was so low given that the restaurant was nearby the Giants Ballpark and in a prime real estate area of the waterfront.

Ms. Neches stated that the lease rates in the area were in the range of \$1.25 to \$1.50 per square foot, and another restaurant, the High Dive restaurant along the Embarcadero at Harrison Street was recently leased at \$1.60 per square foot. Ms. Neches stated she believed that the Commission's decision to enter into a lease with Carmen's Restaurant two years ago was to assist a small business that was displaced by City action elsewhere on the waterfront. At that time, staff proposed and the Commission approved a below market-rate lease based on the following factors: first, the lease was a short-term lease of less than two years, second, the South Beach project was in transition as construction was anticipated to occur shortly on the Pier 40 improvements, which would create some disruption to the business, and third, in order to accommodate Carmen's Restaurant, which was paying significantly more rent at South Beach than it was paying the Port of San Francisco at its prior location on the Fourth Street bridge. Ms. Neches added that the accommodation to Carmen's Restaurant was a policy

matter for the Commission.

Commissioner Singh stated that the Commission approved the lease based upon staff's recommendation, but the Agency should not be responsible for the lower rents paid by small businesses elsewhere, and expressed his opposition to the proposed sublease agreement with Carmen's Restaurant.

Commissioner Yee stated he understood and shared Commissioner Singh's concerns about the low rent, and pointed out that the sublease was a special transaction to assist a small business that had to be relocated from one part of the waterfront to the South Beach area, but that was a temporary situation for two years with a low, minimum rent of 75 cents per square foot. Mr. Yee stated the Agency had spent hundreds of thousands of dollars to improve that part of the waterfront and as the City faced a very sluggish economy with over \$300 million in deficit, he was concerned with giving a small business a below market-rate lease, as the lost revenue would be significant. Mr. Yee stated he agreed that the Agency should assist small businesses, but the Agency should not lose sight of the big picture of looking out for the benefit of the entire City. Mr. Yee stated he was concerned with future leases to other small businesses that may feel unfair treatment if the Agency did not give them a below market-rate lease. Mr. Yee stated his strong opposition and reservations to the proposed sublease and stated there should be equal treatment for all.

Commissioner King put forth a motion to adopt item 4 (e) and suggested that Commissioners Singh and Yee go back several years in history and remember the contributions and sacrifices that Carmen Solis had given to the City. Mr. King recalled that Carmen's Restaurant had been around since the 1930's when she helped feed many of the people during the 1938 labor strike and had done more to help the City than anyone, and the Agency was not giving her any special treatment because she was not really making a lot of money at her restaurant. Mr. King stated he was not very comfortable with the \$200 rent increases, but would not fight it and urged his fellow Commissioners to approve the sublease because it would be wrong for the Agency to turn her down.

Commissioner Palamountain seconded Commissioner King's motion to adopt item 4 (e). Ms. Palamountain stated that in addition to the long and illustrious history of Carmen's Restaurant, the reality was that the sublease agreement was not just a favor to a small business, but a narrowly tailored mitigation measure to help address displacement from their original location by Redevelopment Agency activity in Mission Bay and around the Fourth Street bridge, which did not allow Carmen's to stay at the original business location. Ms. Palamountain reiterated that the accommodation to Carmen's Restaurant was to help mitigate consequences from Redevelopment Agency activity that resulted in the

displacement.

Commissioner Dunlop lent his support for the sublease agreement with Carmen's Restaurant and reminded the Commission that the matter had been previously discussed and the Commission, with a unanimous vote, directed staff to move forward with the sublease. Mr. Dunlop urged his fellow Commissioners to approve the sublease agreement.

Commissioner Singh asked if parking was provided for patrons of the restaurant. Mr. Singh stated he would like to help Carmen's Restaurant, but at the same time, the Agency had not done anything to help maintain the low rent at the Rincon Annex apartments, and there should be equal treatment for everybody.

Ms. Neches informed the Commission that one parking space was provided for the business operator and added that public parking was provided for the Pier 40 and harbor-related uses.

Commissioner Yee stated he was persuaded by Commissioner King's eloquent statements and would support the sublease agreement. Mr. Yee recalled previous discussions about the Agency's involvement in the South Beach Harbor and Pier 40 and stated that the Agency did not have the expertise to operate the harbor and should focus more on the Agency's redevelopment expertise instead of maritime operations. Mr. Yee stated he would pursue the turnover of the harbor operations to the Port of San Francisco as soon as next year so that the Agency would not have to deal with subleases of Port-owned property.

President Romero lent his support for the sublease agreement for the reasons so eloquently expressed by Commissioners King, Palamountain and Dunlop.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, THAT ITEM 4 (c) RESOLUTION NO. 58-2004, AUTHORIZING A FIRST AMENDMENT TO THE SUBLEASE AGREEMENT WITH CARMEN AND BENITO SOLIS, DOING BUSINESS AS CARMEN'S RESTAURANT, ON A PORTION OF THE BULKHEAD BUILDING AND PROPERTY LOCATED AT PIER 38/40; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Mr. King

Ms. Palamountain

Ms. Sexton

Mr. Yee

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SIX (6) AYES, AND ONE (1) NAY.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 58-2004 WAS ADOPTED.

4 (f) Resolution No. 59-2004, Authorizing a First Amendment to the Predevelopment Loan Agreement with Bridge Housing Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$2,332,990 for a total aggregate amount not to exceed \$2,532,990, for the development of approximately 132 units of very low-income senior rental housing and 118 units of low-income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff)

Speakers: Angelo King, Al Norman

Commissioner Dunlop put forth a motion to adopt item 4 (f) and stated he thought that it was a wonderful project and concept to have both senior rental housing and ownership opportunities as well. Mr. Dunlop thanked Ms. Pam Sims for her great and concise presentation, and also thanked Mr. Angelo King for his comments and asked staff to respond to Mr. Al Norman's comments about contracting for the project. Mr. Dunlop requested clarification that the developer owned the property and sought financial assistance from the Agency.

Executive Director Rosen stated that like all other Agency developments, the 5600 Third Street project was subject to the Agency's purchasing and contract compliance policies. The developer did select its contractor through a Request for Qualifications (RFQ) process in conjunction with and approved by the Agency's contract compliance staff. Ms. Rosen added that the contractor selection process for the senior rental phase was overseen and approved by the agency's contract compliance staff as well and fulfilled the Agency's policies and procedures. Ms. Rosen stated that the developer identified the property as a development opportunity and requested funding from the Agency and the project was subsequently structured as a public land trust where the Agency held ownership of the land and would ground lease it to the developer for affordable housing development.

Commissioner Sexton seconded Commissioner Dunlop's motion to adopt item 4 (f).

Commissioner King asked if the Bayview Hunters Point Project Area Committee (PAC) had reviewed and approved the proposed project.

Executive Director Rosen stated that the proposed project had been before the PAC numerous times in the last two years and at the PAC housing subcommittee meeting held the week before (May 10th), members of the PAC had questions about the financing for the project. The developer along with Agency staff would present at the full PAC meeting on May 20th to discuss the financing questions. Ms. Rosen added that the developer was well aware of the importance of the PAC's participation and input in development projects along the Third Street corridor and in the Bayview Hunters Point community.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS.

SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 59-2004, AUTHORIZING A FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$2,332,990 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,532,990, FOR THE DEVELOPMENT OF APPROXIMATELY 132 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AND 118 UNITS OF LOW-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (g) Resolution No. 60-2004, Public hearing and Adoption of an Implementation Plan for the Federal Office Building Redevelopment Project; Federal Office Building Redevelopment Project Area

Presenters: William Carney (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 60-2004, ADOPTION OF AN IMPLEMENTATION PLAN FOR THE FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT; FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Resolution No. 61-2004, Approving a fiscal year 2004-2005 budget for the South of Market Project Area Committee in an amount not to exceed \$188,076 and authorizing a Second Amendment to the Personal Services Contract with the San Francisco Community Clinic Consortium, a California non-profit public benefit corporation, to extend the contract by one year and to increase the maximum amount payable by \$175,833 for an aggregate amount not to exceed \$524,937, subject to funding approval by the Board of Supervisors; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Michele Ponce (Agency staff)

Speakers: Marty Cerles, Antoinetta Stadlman, Jeoflin Roh

Commissioner Dunlop put forth a motion to adopt item 4 (h) and thanked members of the PAC for their hard work and remarked that without the PAC's hard work, the Agency's job would be impossible to accomplish.

Commissioner Palamounain seconded Commissioner Dunlop's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 61-2004, APPROVING A FISCAL YEAR 2004-2005 BUDGET FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$188,076 AND AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO COMMUNITY CLINIC CONSORTIUM, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE CONTRACT BY ONE YEAR AND TO INCREASE THE MAXIMUM AMOUNT PAYABLE BY \$175,833 FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$524,937, SUBJECT TO FUNDING APPROVAL BY THE BOARD OF SUPERVISORS; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Resolution No. 62-2004, Commending and expressing appreciation to William Carney for his services on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen, Executive Director

Speakers: Antoinetta Stadlman

Commissioner Yee stated it was sad to see a poet and landscape architect leave the Agency because Mr. William Carney was someone he always admired and respected since becoming a Commissioner at the Agency. Mr. Yee stated he had not heard anyone say anything bad about Mr. Carney and opined that the Agency still needed his creativity, talent and services and that he should not retire because he was still a young man. Mr. Yee expressed his appreciation to Mr. Carney for his long service and hard work and shared that he knew Mr. Carney lived somewhere in Marin because they ran into each other at a restaurant. Mr. Yee stated he knew a lot of construction businesses that could

use his skills and he would highly recommend Mr. Carney to his friends. Mr. Yee wished Mr. Carney good luck and a happy retirement.

Commissioner Dunlop offered his praise and admiration for Mr. William Carney, especially his calm and resolve during the most difficult situations, and stated it felt like a family member was leaving. Mr. Dunlop recalled attending difficult PAC meetings where Mr. Carney did a great job of maintaining the focus on the issue at hand and facilitated the discussion with ease. Mr. Dunlop stated he was impressed with the stunning list of accomplishments, including poetry and shared that he himself was a part-time musician. Mr. Dunlop wished Mr. Carney the best of luck in his retirement.

Commissioner Palamountain happily put forth a motion to adopt item 4 (i) and stated there were plenty of things that could be pointed out about Mr. Carney's physical contributions to the Agency and San Francisco, but she wanted to reflect on the more ephemeral qualities that she had the privilege to observe about Mr. Carney, starting with his incredible patience and ability to listen to people and to calmly absorb all of the issues, his relentless attention to detail on the most complex of transactions, which made her confident that someone was indeed paying attention to all of the pertinent issues, his unparalleled professionalism and hard work and always staying focused on the issue at hand. Ms. Palamountain stated she had come to have a deep admiration for Mr. Carney's dedication and service and that she continued to emulate Mr. Carney's equanimity because that was one of his best quality, one that the world could use a lot more. Ms. Palamountain expressed her heartfelt gratitude for Mr. Carney's long service to the Agency and the City and County of San Francisco.

Commissioner Singh stated that every time he had an opportunity to see Mr. Carney, he was always very polite, very nice and always smiling. Mr. Singh stated that members of the PAC had a lot of respect and praise for Mr. Carney in the work that he did and no one had anything bad to say about Mr. Carney. Mr. Singh stated he would miss Mr. Carney very much and wished him good luck in his retirement.

Commissioner Sexton congratulated Mr. Carney for his dedicated and long service to the Agency. Ms. Sexton stated that the Agency had a predominance of the most talented people in City government and was evident in the neighborhoods that the Agency had been involved with, especially in areas such as Yerba Buena Center and the remarkable work on Sixth Street, that Mr. Carney must feel a tremendous pride along with the City of such accomplishments. Ms. Sexton thanked Mr. Carney for his hard work and creativity and wished him the best of luck in his retirement, jesting that because it was difficult to walk away from a long service at the Agency, he should run

instead.

Commissioner King recalled that Mr. Carney began his work at the Agency about the same time he became a Commissioner 25 years ago. Mr. King thanked Mr. Carney for all his hard work, especially the early work on many of the survey areas in particular, the Transbay survey area where he learned a lot from Mr. Carney's leadership. Mr. King wished Mr. Carney good luck and stated it was a pleasure to have worked with Mr. Carney the past 25 years.

President Romero added his congratulations and gratitude to Mr. Carney and stated he agreed with all of the praises by the Commission and that the one thing that was special about Mr. Carney was the clarity of his presentations to the Commission, and even when responding extemporaneously to questions, his responses were always grammatically correct and presented in complete paragraphs. Mr. Romero stated he was not aware of Mr. Carney's extensive and varied background, which provided an explanation for his attention to detail in his work. Mr. Romero wished Mr. Carney good luck and thanked him for his long service to the Agency and the City and County of San Francisco.

ADOPTION IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 62-2004, COMMENDING AND EXPRESSING APPRECIATION TO WILLIAM CARNEY FOR HIS SERVICES ON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Helen Rogers

7. REPORT OF THE PRESIDENT

- President Romero announced the death of Sergeant James Evans' grandson Raymon Bass, who was an honor roll student at Mission High School. Donations should be made to the Raymon Bass College Scholarship Fund and sent to Mission High School to the attention of Ms. Jan Fong, Assistant Principal. Checks should be made payable to Mission High School. Mr. Romero expressed the Agency's condolences to Sergeant Evans' family. (Sergeant Evans is the Agency's security officer.)

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen thanked President Romero for recognizing Sergeant Evans' loss of his grandson and likewise expressed the Agency's condolences.

- Western Addition community meeting co-sponsored by the CAC on May 19, 2004 at 6:00 p.m., in the Westbay Conference Center to discuss the proposed business improvement districts.
- Plaza Hotel progress report: pedestrian barriers were installed earlier in the day (May 18th) along Sixth and Howard Streets in preparation for the demolition and deconstruction scheduled for Wednesday or Thursday of the week. As part of the sustainable green development of the Plaza Hotel, the contractor is required to recycle as much of the building material to help reduce the amount of waste going into the landfill. The project is on schedule with completion in October 2005.
- Informational memorandum on the economic model for sustaining both the public open spaces and cultural facilities in Yerba Buena Center. In response to Commissioners' questions and suggestions, staff had met with all of the cultural facilities to develop a plan to sustain those cultural facilities that the Agency had operating agreements with. Staff had recommended to eliminate the cost of living increases that were part of the current agreements in order to address two things, both the sustainability

of the resources and revenue that could be projected to meet the Agency's obligations, and also to address Commissioners' concerns that staff encourage and work with cultural facilities to have diminishing financial support so they become more independent overtime.

The operating agreement with the Center for the Arts, the first and the largest obligation of the cultural facilities that was created with an extensive community process to meet the cultural needs of the City, required notification of the Agency two years before the end of their agreement in April 2005, of their intention to continue operations. The Agency was obliged to negotiate with them to evaluate their performance under the operating agreement, which negotiations had been completed by Mr. William Carney and staff. The operating agreement was not scheduled to expire until April 2005, but because their fiscal year coincided with the Agency's, the Center for the Arts had requested the Commission to give an earlier consideration to the Agency's extension so that when they go into the next fiscal year (2004-2005), they would have some assurance that their operations could continue on past April 2005, which they would use to leverage their outside fundraising efforts. Ms. Rosen asked the Commission, if it had reviewed the informational memorandum and was in agreement with staff's recommendation, she would in consultation with the President and Vice-President, schedule the Center for the Arts action for one of the June 2004 Commission meetings, and the other actions referred to in the informational memorandum would be scheduled subsequently.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he wanted to inform his fellow Commissioners about a matter affecting contractors, subcontractors, consultants and suppliers, specifically the comparison of threshold amounts of Minority/Women Business Enterprises (M/WBE) contracts between the City's Human Rights Commission (HRC) and the Agency. Mr. Yee shared that he was recently contacted by several contractors about the issue relating to the difference of threshold amounts of M/WBE contracts between HRC and the Agency. Mr. Yee stated that the threshold amounts for prime contractors for both the HRC and the Agency was \$14 million, which in his opinion, should be increased slightly to accommodate the increased costs of contracting. Mr. Yee stated he was most concerned with the threshold amounts for M/WBE subcontractors, where the Agency's threshold amount was \$14 million and the HRC's threshold amount was \$7 million, and the substantial difference was not fair to smaller subcontractors who would not be able to compete with the larger subcontractors. The same was true with suppliers, where the Agency's threshold amount was \$2 million compared with the HRC's threshold amount of \$7 million, which rendered the smaller suppliers with substantially fewer inventories than the larger suppliers, unable to compete

fairly and competitively. Mr. Yee stated the disparity in the threshold amounts for suppliers was not fair and he did not understand the rationale for the substantial difference in the amounts and why Agency staff did not make the necessary adjustments to have the same threshold amounts as the HRC. Mr. Yee stated that the Agency's Working Group should have been working on the matter, but he understood that the Working Group had not met for several months.

Executive Director Rosen reminded the Commission that Commissioners King and Singh represented the Commission on the Working Group, and informed the Commission that a subcommittee had been working on the very issue raised by Commissioner Yee and that the matter had been looked at for a long period of time. Ms. Rosen stated there was a diversity of opinion on the matter. Out of respect for Commissioner King, the Working Group meetings were held in abeyance because of Commissioner King's surgery and his inability to attend meetings, since the subcommittee did not want to make recommendations to the full Working Group until Commissioner King was available. Ms. Rosen suggested that if the Commission scheduled the matter on the June 1st agenda, there would not be an opportunity for the Working Group to follow through on a thoughtful process, in which it had been engaged for many months. Ms. Rosen requested the Commission to wait for the Working Group's recommendation and Commissioners King and Singh's participation before it placed the matter on the agenda.

- Commissioner Yee stated the explanation from the Executive Director was not the same issue he was speaking of and he did not agree with the Executive Director's recommendation to wait because time was of the essence on a very important matter. Mr. Yee asked when Agency staff or the Working Group last discussed the issue of the threshold amounts for M/WBE contracts.

Executive Director Rosen stated she would provide a precise written report, but as soon as the HRC adopted the threshold amount changes, the Agency's Working Group started working on it and they discussed the issue at several meetings. If desired, she could provide the Commission with an informational memorandum with the details of what was discussed at the meetings. Agency staff, along with its community advisory group and with Commissioners King and Singh's leadership, had been analyzing the issue and preparing data for the Working Group on the size of the contractors because there was a concern that changes to the thresholds might inadvertently hurt some of the contractors that were getting contracting opportunities from the Agency.

- Commissioner Yee stated he understood the Executive Director and that Commissioners King and Singh had been doing a fine job on the Working Group, but he wanted to schedule the matter immediately in order to save Commissioners King and Singh their time, and let the Commission hear the public input on the issue.
- Commissioner Yee put forth a motion to place on the June 1st agenda, an item regarding threshold amounts for M/WBE contracts. Mr. Yee asked why the Executive Director did not bring the matter of the HRC's increased threshold amounts before the Commission when she was made aware of it. Mr. Yee asked if the Executive Director had an opinion on the disparity of the threshold amounts for M/WBE contracts between the HRC and the Agency.

Executive Director Rosen stated it had been the Commission's direction that all changes to the Agency's purchasing and contract policies be reviewed by the Working Group before they were brought before the Commission, and she had taken the Commission's direction very seriously on that, and had scheduled those discussions before the Working Group. Ms. Rosen stated she would not form an opinion until she had heard the review by the Working Group and it had analyzed the data.

- Commissioner Singh stated he agreed with Commissioner Yee and seconded Commissioner Yee's motion.
- Commissioner King stated he disagreed with Commissioners Yee and Singh because the Working Group had set the Agency's threshold amounts for M/WBE contracts higher than the HRC. Mr. King recalled former Executive Director James Morales' suggestion to have the same threshold amounts as the HRC, but he and the Working Group refused and set the Agency's threshold amounts higher. Mr. King stated that because of the Agency's higher threshold amounts, there were more opportunities for M/WBE contractors. Mr. King stated that Commissioner Singh who served with him on the Working Group was aware that the Agency's threshold amounts were higher than the HRC, and moreover, the Working Group conducted a county by county survey to establish the threshold amounts for M/WBE contracts. Mr. King stated he was not sure where Commissioner Yee obtained his figures, but the Agency's threshold amounts were always set higher than the HRC in order to provide more contracting opportunities for M/WBE contractors, who have consistently acquired better jobs and promotions under the Agency's programs. Mr.

King stated it was the duty and responsibility of the Commission to allow the Working Group to complete its work and await its report to the Commission. Mr. King stated that Commissioner Singh was in attendance at the Working Group meetings and he (Mr. Singh) agreed with the findings and recommendations of the Working Group. Mr. King stated he became ill and had surgery and in consultation with the Executive Director, the Working Group meetings were not being held until he had fully recovered. Mr. King urged his fellow Commissioners to not approve the motion by Commissioner Yee and allow the Working Group to complete its work and make a recommendation to the Commission.

- Commissioner Sexton requested a call for the question so that the Commission could vote on the motion.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, TO PLACE ON THE JUNE 1ST AGENDA, AN ITEM REGARDING THRESHOLD AMOUNTS FOR M/WBE CONTRACTS, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Singh

Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop

Mr. King

Ms. Palamountain

Ms. Sexton

Mr. Romero

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES AND FIVE (5) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

- President Romero informed that the May 18, 2004 Commission meeting would be adjourned in memory of Raymon Bass.

10. CLOSED SESSION:

(a) Pursuant to Government Code §54956.8 to instruct the Agency's real property negotiators with respect to renegotiation of the Disposition and Development Agreement and related documents. The property is located at 1881 Bush Street, San Francisco, California, 94109, Parcels 674 -C & F, Western Addition A-2 and the owner of the property with whom the Agency may negotiate with is Japanese American Religious Federation Assisted Living Facility, Inc. and its lender National Cooperative Bank Development Corporation. Agency negotiators: Olson Lee, Judy, Eng, David Sobel and Tracie Reynolds.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Sexton, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:43 p.m. The May 18, 2004 Commission meeting was adjourned in the memory of Raymon Bass.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

June 01, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
1ST DAY OF JUNE 2004

DOCUMENTS DEPT.

DEC 21 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 1st day of June 2004, at the place and date duly established for holding of such a meeting.

Acting President Mark Dunlop called the meeting to order at 4:00 p.m. Mr. Dunlop welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

And the following were absent:

Ramon E. Romero, President

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No reportable action.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Regular meeting (including special meeting of the Redevelopment Financing Authority) of May 18, 2004

4 (b) Resolution No. 63-2004, Authorizing a Second Amendment to

the Personal Services Contract with EIP Associates, a for profit California corporation, to extend the term of the contract from June 30, 2004 to March 15, 2005, to complete an environmental impact report on the Bayview Hunters Point Redevelopment Plan Amendments; Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Bayview Hunters Point Redevelopment Survey Area

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: REGULAR MEETING (INCLUDING SPECIAL MEETING OF THE REDEVELOPMENT FINANCING AUTHORITY) OF MAY 18, 2004, AND 4 (b) RESOLUTION NO. 63-2004, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH EIP ASSOCIATES, A FOR PROFIT CALIFORNIA CORPORATION, TO EXTEND THE TERM OF THE CONTRACT FROM JUNE 30, 2004 TO MARCH 15, 2005, TO COMPLETE AN ENVIRONMENTAL IMPACT REPORT ON THE BAYVIEW HUNTERS POINT REDEVELOPMENT PLAN AMENDMENTS; HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

REGULAR AGENDA

Items 4 (c) and 4 (d) were presented together and acted upon separately.

4 (c) Resolution No. 64-2004, Authorizing a 2004-2005 Fiscal Agent Agreement with the County of San Mateo in an amount not to exceed \$1,024,000, from July 1, 2004 to June 30, 2005, as part of the Housing Opportunities for Persons With AIDS Program

4 (d) Resolution No. 65-2004, Authorizing a 2004-2005 Fiscal Agent Agreement with the County of Marin in an amount not to exceed \$877,480, from July 1, 2004 to June 30, 2005, as part of the Housing Opportunities for Persons With AIDS Program

Presenters: Chris Harris (Agency staff)

Acting President Dunlop stated that the AIDS epidemic continued unabated and as people lived longer, the expenses continued to rise at the same that drastic cuts were being made to the critical funding. Mr. Dunlop stated that the funding cuts at the Care Council would mean reductions in much needed services for people living with AIDS. Mr. Dunlop thanked Agency staff for its incredible job of maintaining the HOPWA funding and working so well with the service providers. Mr. Dunlop stated he was very proud of the Agency's Housing Division in particular Mr. Olson Lee and Chris Harris.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. ROMERO AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 64-2004, AUTHORIZING A 2004-2005 FISCAL AGENT AGREEMENT WITH THE COUNTY OF SAN MATEO IN AN AMOUNT NOT TO EXCEED \$1,024,000, FROM JULY 1, 2004 TO JUNE 30, 2005, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. ROMERO AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 65-2004, AUTHORIZING A 2004-2005 FISCAL AGENT AGREEMENT WITH THE COUNTY OF MARIN IN AN AMOUNT NOT TO EXCEED \$877,480, FROM JULY 1, 2004 TO JUNE 30, 2005, AS PART OF THE HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

Items 4 (e) through 4 (i) were presented together and acted upon separately.

4 (e) Resolution No. 66-2004, Authorizing a Housing Opportunities For Persons With AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an amount not to exceed \$4,350,060, for July 1, 2004 to June 30, 2007, contingent upon program considerations, availability of funds and performance, for the Leland House, located at 141 Leland Avenue, to provide program operating and service costs for people living with HIV/AIDS

4 (f) Resolution No. 67-2004, Authorizing a Housing Opportunities For Persons With AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an amount not to exceed \$2,130,756, for July 1, 2004 to June 30, 2007, contingent upon program considerations, availability of funds and performance, for the Peter Claver Community Facility located at 1340 Golden Gate Avenue, to provide program operating and service costs for people living with HIV/AIDS

4 (g) Resolution No. 68-2004, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Dolores Street Community Services, a California nonprofit public benefit corporation, in an amount not to exceed \$1,438,050, for July 1, 2004 to June 30, 2007, contingent upon program considerations, availability of funds and performance, for the Richard M. Cohen Residence, located at 220 Dolores Street, to provide program operating and service costs for people living with HIV/AIDS

4 (h) Resolution No. 69-2004, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Larkin Street Youth Services, a California nonprofit public benefit corporation, in an amount not to exceed \$1,044,432, for July 1, 2004 to June 30, 2007, contingent upon program considerations, availability of funds and performance, for its assisted care facility at 129 Hyde Street to provide program operating and service costs for youth living with HIV/AIDS

4 (i) Resolution No. 70-2004, Authorizing a Housing Opportunities For Persons With AIDS Supportive Services Agreement with Maitri, a California nonprofit public benefit corporation, in an amount not to exceed \$1,476,501, for July 1, 2004 to June 30, 2007, contingent upon program considerations, availability of funds and performance, for its residential care facility located at 401 Duboce Street, to provide program operating and service costs for people living with HIV/AIDS

Presenters: Elizabeth Colomello (Agency staff)

Commissioner Palamountain thanked each of the Agency's partners for the residential care facilities and stated that the service providers worked with an incredibly vulnerable population, each with disparate

needs and often with multiple diagnoses and faced very challenging situations. Ms. Palamountain stated that the Commission recognized the incredible amount of determination and dedication that this required during the best of economic times, and given the difficult economic climate, the services provided were even more valuable and truly appreciated by the Commission. Ms. Palamountain lent her support for all of residential care facilities including the Larkin Street Youth Services, which was near and dear to her heart since she had worked with foster care population in the past and stated she was truly appreciative of efforts to provide services for young adults.

Acting President Dunlop stated that all of the Agency staff worked incredibly hard, but wanted to recognize the hard work of Ms. Pam Sims and Ms. Elizabeth Colomello on the residential care facilities. Mr. Dunlop also thanked each of the service providers for their dedication and hard work.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 66-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$4,350,060, FOR JULY 1, 2004 TO JUNE 30, 2007, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE LELAND HOUSE, LOCATED AT 141 LELAND AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 67-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$2,130,756, FOR JULY 1, 2004 TO JUNE 30, 2007, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE PETER CLAVER COMMUNITY FACILITY LOCATED AT 1340 GOLDEN GATE AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 68-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,438,050, FOR JULY 1, 2004 TO JUNE 30, 2007, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE RICHARD M. COHEN RESIDENCE, LOCATED AT 220 DOLORES STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 68-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,438,050, FOR JULY 1, 2004 TO JUNE 30, 2007, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR THE RICHARD M. COHEN RESIDENCE, LOCATED AT 220 DOLORES STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 70-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH MAITRI, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1,476,501, FOR JULY 1, 2004 TO JUNE 30, 2007, CONTINGENT UPON PROGRAM CONSIDERATIONS, AVAILABILITY OF FUNDS AND PERFORMANCE, FOR ITS RESIDENTIAL CARE FACILITY LOCATED AT 401 DUBOCE STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS, BE ADOPTED.

4 (j) Resolution No. 71-2004, Authorizing a Second Amendment to the

Rental Subsidy Agreement with the Housing Authority of the City and County of San Francisco, to increase compensation by an amount not to exceed \$210,000, for a total aggregate amount not to exceed \$3,460,000, to provide rental assistance for the second year of a three year contract for July 1, 2002 to June 30, 2005; Housing Opportunities for Persons With AIDS Program

Presenters: Pam Sims (Agency staff)

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 71-2004, AUTHORIZING A SECOND AMENDMENT TO THE RENTAL SUBSIDY AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, TO INCREASE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$210,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,460,000, TO PROVIDE RENTAL ASSISTANCE FOR THE SECOND YEAR OF A THREE YEAR CONTRACT FOR JULY 1, 2002 TO JUNE 30, 2005; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

4 (k) Resolution No. 72-2004, Authorizing a Housing Opportunities for Persons With AIDS Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit public benefit corporation, in an amount not to exceed \$260,000 for July 1, 2004 to June 30, 2005, to provide supportive services related to the HOPWA Rental Subsidy Program

Presenters: Pam Sims (Agency staff)

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 72-2004, AUTHORIZING A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$260,000 FOR JULY 1, 2004 TO JUNE 30, 2005, TO PROVIDE SUPPORTIVE SERVICES RELATED TO THE HOPWA RENTAL SUBSIDY PROGRAM, BE ADOPTED.

4 (l) Resolution No. 73-2004, Authorizing the Executive Director to expend

a Housing Opportunities for Persons With AIDS (HOPWA) Special Projects of National Significance award and HOPWA formula allocation funds in an amount not to exceed \$1,634,000, for July 1, 2004 to June 30, 2007, for supportive services and rental subsidies, through a HOPWA Supportive Services Agreement with Catholic Charities/Catholic Youth Organization, a California nonprofit corporation, for the HOPWA Partial Rent Subsidy Program

Presenters: Pam Sims (Agency staff)

Commissioner Palamountain thanked staff for all its hard work and stated the swift approval of the items, although seemingly anti-climactic, was a recognition of staff's year-long efforts and was really a tribute to how well-organized the HOPWA program was and how much faith the Commission had in the policy directions that staff had established for the Commission that there had not been more deliberation on the items.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 73-2004, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA) SPECIAL PROJECTS OF NATIONAL SIGNIFICANCE AWARD AND HOPWA FORMULA ALLOCATION FUNDS IN AN AMOUNT NOT TO EXCEED \$1,634,000, FOR JULY 1, 2004 TO JUNE 30, 2007, FOR SUPPORTIVE SERVICES AND RENTAL SUBSIDIES, THROUGH A HOPWA SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES/CATHOLIC YOUTH ORGANIZATION, A CALIFORNIA NONPROFIT CORPORATION, FOR THE HOPWA PARTIAL RENT SUBSIDY PROGRAM, BE ADOPTED.

4 (m) Resolution No. 74-2004, Authorizing the execution of a three year Personal Services Contract with Williams, Adley & Company, a Delaware for profit limited liability partnership, to perform annual audits of the Agency's financial statements for fiscal years ending June 30, 2004, 2005 and 2006 and to provide consultation services for the new standard government reporting requirements for an amount not to exceed \$298,800

Presenters: Grace Yip (Agency staff)

Commissioner King asked why the recommended auditor was from out of town and not local and requested verification that the City selected the recommended

auditor.

Ms. Grace Yip, Accounting Supervisor, stated that following a competitive selection process, the City did select the firm of Williams, Adley and Company to conduct the City's audits and also the Agency's. Ms. Yip stated that the auditor was a local firm with offices in San Francisco and Oakland.

Commissioner King put forth a motion to adopt item 4 (m).

Commissioner Yee stated he had the same question as Commissioner King about hiring local firms for the Agency's work and that the Agency should be encouraging hiring of local contractors. Mr. Yee requested verification that the firm was originally from the state of Delaware and branched out into San Francisco and maintained a local office.

Commissioner Sexton informed that she had previously worked with the firm and stated that it was a local firm with offices in San Francisco and Oakland.

Ms. Yip stated that the firm was incorporated in the state of Delaware but had conducted business in San Francisco for many years.

Commissioner Yee stated he understood and seconded Commissioner King's motion to adopt item 4 (m).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 74-2004, AUTHORIZING THE EXECUTION OF A THREE YEAR PERSONAL SERVICES CONTRACT WITH WILLIAMS, ADLEY & COMPANY, A DELAWARE FOR PROFIT LIMITED LIABILITY PARTNERSHIP, TO PERFORM ANNUAL AUDITS OF THE AGENCY'S FINANCIAL STATEMENTS FOR FISCAL YEARS ENDING JUNE 30, 2004, 2005 AND 2006 AND TO PROVIDE CONSULTATION SERVICES FOR THE NEW STANDARD GOVERNMENT REPORTING REQUIREMENTS FOR AN AMOUNT NOT TO EXCEED \$298,800, BE ADOPTED.

4 (n) Resolution No. 75-2004, Approving a fiscal year 2004-2005 budget for the Bayview Hunters Point Project Area Committee in an amount not to exceed \$154,445 and Authorizing a First Amendment to a Personal Services Contract for administrative support and operations services for the Bayview Hunters Point Project Area Committee with Bayview Opera House, Inc., a California nonprofit corporation, to extend the term of the contract from June 30, 2004 to June 30, 2005 and allocate funds not to exceed \$154,445, for a total aggregate amount not to exceed \$354,445; Hunters Point Redevelopment Project Area, Bayview Hunters Point Redevelopment Survey Area

Presenters: Gaynell Armstrong (Agency staff)

Commissioner King put forth a motion to adopt item 4 (n) and commended Ms. Shelley Bradford Bell for the hard work of the Bayview Opera House.

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (n) and commended the Bayview PAC for its hard work.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. ROMERO ABSENT) THAT ITEM 4 (n) RESOLUTION NO. 75-2004, APPROVING A FISCAL YEAR 2004-2005 BUDGET FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE IN AN AMOUNT NOT TO EXCEED \$154,445 AND AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT FOR ADMINISTRATIVE SUPPORT AND OPERATIONS SERVICES FOR THE BAYVIEW HUNTERS POINT PROJECT AREA COMMITTEE WITH BAYVIEW OPERA HOUSE, INC., A CALIFORNIA NONPROFIT CORPORATION, TO EXTEND THE TERM OF THE CONTRACT FROM JUNE 30, 2004 TO JUNE 30, 2005 AND ALLOCATE FUNDS NOT TO EXCEED \$154,445, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$354,445; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- Acting President Dunlop reported that he along with Commissioners Singh and Yee attended William Carney's retirement party on May 27th and stated it was indeed a bittersweet event and that Mr. Carney would be missed. Mr. Dunlop requested that copies of Mr. Carney's speech be provided to the Commission.
- Mr. Dunlop reported that he attended Mayor Newsom's budget presentation held earlier in the afternoon (June 1st) and Commissioners Singh and Yee were also in attendance. Mr. Dunlop asked if copies of the Mayor's proposed budget were available for the Commission.

Executive Director Rosen informed that the Mayor's proposed budget would be available on the City's website, but she would provide copies of the Mayor's budget summary to the Commission.

8. REPORT OF THE EXECUTIVE DIRECTOR

- "Martinis and Jazz" fundraising event for Catholic Charities on June 7th to celebrate the rehabilitation and re-opening for the Derek Silva Community, at the Mecca Restaurant.
- Zeum fundraising event on June 3rd at 6:30 p.m., with a private screening of the new Harry Potter movie in cooperation of with the Sony Metreon.

The \$25.00 ticket includes one admission to the private screening of Harry Potter movie, a Zeum family pass, a Zeum carousel ride for two, 10% discount at the Zeum store, free shoe or skate rental at the Yerba Buena Ice Skating and Bowling Center, and a 10% discount at Just Desserts.

- Informational memorandum regarding modifications to the Agency's 2004-2005 budget that was approved by the Commission in March. Ms. Rosen stated that the Mayor's budget office was quite supportive of the Agency's proposed budget as indicated on the informational memorandum. Ms. Rosen informed the Commission that another matter had arisen recently, which was not reflected in the budget modifications. The Treasure Island Development Authority (TIDA) and the Mayor's Office had requested the Agency to enter into an agreement with the TIDA whereby their employees would become temporary employees of the Agency and all expenses associated with that would be reimbursed by the TIDA. Agency staff was working closely with the TIDA, the City Attorney's Office and Steve Kawa, the Mayor's Chief of Staff, to work out an agreement, which would most likely be before the Commission for its consideration on the June 15th Commission meeting.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner King stated that a meeting of the Working Group had been scheduled for June 23rd and requested that an item be scheduled soon thereafter before the Commission so that the matter could be resolved.

Executive Director Rosen stated that an item would be scheduled in one of the meetings in July.

- Commissioner Singh stated he also attended Mayor Newsom's budget presentation held earlier in the afternoon (June 1st) and recalled that the Mayor stated there would be 753 positions eliminated from the City's workforce and asked if there were any positions affected in the Agency. Mr. Singh also recalled the Mayor's proposal for a 15% salary reduction for City employees with salaries of \$125,000 and asked if the Agency had affected employees with such salaries.

Executive Director Rosen stated there were no Agency permanent positions requested to be eliminated by the Mayor's budget office. Ms. Rosen added that the Agency budget approved by the Commission had a slight staff reduction,

which was for limited time employee appointments, and the number of full-time equivalent Agency employees remained the same as the current fiscal year. Ms. Rosen stated the Agency had a few positions with the \$125,000 salary level, but staff did not receive a request from the Mayor's budget office affecting those positions.

- Commissioner Yee referred to an informational memorandum regarding an update of the Working Group activities and stated that the information provided by staff did not appear to be correct because he had information from the Human Rights Commission (HRC) that contained different threshold amounts for the M/WBE contracts than the Agency's. Mr. Yee cited for example that the threshold amount for specialty construction contractors listed for the Agency was \$5 million and the HRC's amount was \$7 million and the same was the case with amounts in the informational memorandum for goods/materials/ equipment and general services suppliers where the HRC's amount was \$7 million and the amount listed in the memorandum was \$5 million. There was also a discrepancy with the professional services contractors where the memorandum indicated the amount was \$2 million and the HRC's was \$2.5 million. Mr. Yee asked why the information provided by the Agency was not consistent with the HRC amounts he received from the HRC.

Executive Director Rosen stated that staff would validate the figures in the informational memorandum with the HRC, but it was possible these were the figures last discussed with the Working Group in August 2003 and the numbers may have changed since then. Ms. Rosen assured that staff would obtain the accurate information and present it to the Working Group at its meeting on June 23rd.

- Commissioner Yee offered to give the Executive Director the information he obtained from the HRC and stated he knew that staff did not purposely provide erroneous information to the Commission, but staff should carefully review and verify the information provided so that the Commission would not be misled.
- Commissioner Singh stated he agreed with Commissioner Yee's statements and urged staff to look into the matter.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Ms. Sexton, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

June 15, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
15TH DAY OF JUNE 2004

DOCUMENTS DEPT.

DEC 21 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 15th day of June 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No reportable action.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of June 1, 2004

4 (b) Resolution No. 76-2004, Authorizing payment of \$65,000 to the Human Rights Commission of the City and County of San Francisco, for the Agency's share of the cost of the City-wide Surety Bond Program

4 (c) Resolution No. 77-2004, Approving an amendment to the overall development plan for Parcel X4 to extend the schedule of performance, pursuant to an Owner Participation Agreement with ECOR-SF Holdings,

Inc., a Delaware corporation; Mission Bay South Redevelopment Project

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 1, 2004, 4 (b) RESOLUTION NO. 76-2004, AUTHORIZING PAYMENT OF \$65,000 TO THE HUMAN RIGHTS COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO, FOR THE AGENCY'S SHARE OF THE COST OF THE CITY-WIDE SURETY BOND PROGRAM, AND 4 (c) RESOLUTION NO. 77-2004, APPROVING AN AMENDMENT TO THE OVERALL DEVELOPMENT PLAN FOR PARCEL X4 TO EXTEND THE SCHEDULE OF PERFORMANCE, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH ECOR-SF HOLDINGS, INC., A DELAWARE CORPORATION; MISSION BAY SOUTH REDEVELOPMENT PROJECT, BE ADOPTED.

REGULAR AGENDA

4 (d) Resolution No. 78-2004, Authorizing an Agency Agreement with the Treasure Island Development Authority, a public body, corporate and politic, for the provision of Agency staff services to the Treasure Island Development Authority, for a term not to exceed one year

Presenters: Marcia Rosen, Executive Director

Speakers: Anne-Marie Conroy (TIDA)

Commissioner Sexton asked how many positions there were for the Treasure Island Development Authority (TIDA).

Executive Director Rosen stated there were 12 positions in the TIDA budget and eight were occupied, which would be offered positions in the Agency and would become Agency employees subject to the Agency's personnel policies and procedures.

Commissioner Palamountain requested confirmation that the reimbursement to the Agency would include insurance and fringe benefits for the TIDA employees. Ms. Palamountain asked when the TIDA would become its own development authority.

Executive Director Rosen stated that all personnel costs including fringe benefits as well as the Agency's administrative costs in implementing the agreement would be covered by the TIDA. The agreement contemplated a pre-payment on a quarterly basis with actual billings against the payments so that funds would be available. Ms. Rosen stated that if the Agency agreement were to exceed one year, it would have to go back to both the TIDA and the Agency for further consideration. Ms. Rosen added that the TIDA was legally a separate entity and previously had their personnel services performed by City employees because they did not have their own employees. The TIDA was looking into entering CALPERS as a separate entity and sometimes, the process of being recognized by CALPERS was a time consuming one. The TIDA had begun an analysis of what additional steps were necessary to achieve full autonomy including organizational functions and financial management.

President Romero stated he thought that the agreement was a well thought out arrangement that provided for the employees and lent his support for the agreement.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 78-2004, AUTHORIZING AN AGENCY AGREEMENT WITH THE TREASURE ISLAND DEVELOPMENT AUTHORITY, A PUBLIC BODY, CORPORATE AND POLITIC, FOR THE PROVISION OF AGENCY STAFF SERVICES TO THE TREASURE ISLAND DEVELOPMENT AUTHORITY, FOR A TERM NOT TO EXCEED ONE YEAR, BE ADOPTED.

4 (e) Resolution No. 79-2004, Authorizing an Amended and Restated Operating Agreement with the Yerba Buena Center for the Arts, a California nonprofit public benefit corporation, with a first extended term of fifteen years in an amount not to exceed \$3,555,000 per year and a total aggregate amount not to exceed \$53,325,000 during such

first extended term, payable from applicable lease revenues and subject to the availability of funds; Yerba Buena Center Redevelopment Project Area

Presenters: Cathy Pickering (Agency staff)

Speakers: John Elberling, Ken Foster, Robert Goodman, Diane Sanchez, Herb Lembcke, Cynthia Taylor, Chris Lerma, James Kass, Rebeca Mauleon, J.D. Beltran, Frances Phillips, Christine Elbel, Sean San Jose, Jeanne Nelson

Commissioner Sexton stated it was good to hear from the public and its support for the Center for the Arts and commended staff for its hard work. Ms. Sexton asked why the operating agreement was negotiated with 75 years in addition to the initial 15-year term, and if there were other 90-year operating agreements in Yerba Buena Center.

Ms. Cathy Pickering, Assistant Project Manager, stated that the Center for the Arts was constructed for the long term and the operating agreement would come before the Commission for renewal of the 15-year terms. Ms. Pickering added that the Center for the Arts needed to have long-term operating commitment from the Agency in order to successfully fund-raise with arts and cultural foundations who looked favorably at the long-term operations of cultural facilities they funded. Ms. Pickering stated that the current agreement had automatic 10-year extensions without termination, and staff had negotiated a cap of 15 years, subject to the Commission's approval of the subsequent 15-year extensions.

Ms. Amy Neches, Senior Project Manager, stated that the Center for the Arts was built to operate a long-term permanent asset and was intended to operate in perpetuity with 10-year extensions. The operating agreement had been renegotiated as an amended and

restated agreement to provide for 15-year terms with mutual renewals by both the Commission and the Board of Directors of the Center for the Arts. Ms. Neches stated that not only was the term of the operating agreement subject to the Commission's approval, the annual funding was also subject to the availability of funds from the separate account.

Ms. Pickering stated that the Marriott Hotel had a 60-year term from 1984, with two 15-year extensions.

Commissioner Sexton thanked staff for the explanation and put forth a motion to adopt item 4 (e).

Commissioner Palamountain thanked Marcia Rosen and Amy Neches for spending time with her to explain some of the details of the operating agreement not only for the Center for the Arts, but also other cultural facilities in Yerba Buena Gardens. Ms. Palamountain stated that the reason for the Commission's anxiety about operational funding of Yerba Buena Gardens' cultural facilities was due to the projected deficit and issuance of debt to cover anticipated capital improvement costs for the cultural facilities. Ms. Palamountain stated she thought the planning that was done 20 years ago for the long-term maintenance of the cultural facilities was visionary in that the long-term operation of the cultural facilities was to come from lease revenues from private entities like the Marriott Hotel and the Sony Metreon. Ms. Palamountain referred to an informational memorandum dated May 18, 2004, which included a funding commitment chart in which an annual cost increase for inflation was included through 2024 that projected a \$10 million deficit for the Agency's funding commitment for the Center for the Arts. Also included in the informational memorandum was a modified escalation chart, which eliminated the annual cost increase that resulted in a surplus instead of a deficit for the year-end cumulative capital balance that would now allow the Agency to continue its support in providing stable funding for the long-term viability of the Center for the Arts. Ms. Palamountain commended staff for its creativity and the Center for the Arts for maintaining a clear mission and a public presence in the Yerba Buena Gardens. Ms. Palamountain seconded Ms. Sexton's motion to adopt item 4 (e).

Commissioner Singh stated that 15 years was a long time and most of the current Commissioners would not be serving for the next 15 years

and opined that 15 years was too long of an agreement. Mr. Singh asked what the term of the existing agreement was and if there were other facilities with similar long-term agreements.

Ms. Pickering stated that the existing agreement was for 15 years with on-going 10-year extensions. Ms. Pickering stated that the Zeum, Ice Skating Rink and the Childcare Center also had long-term agreements with the Agency.

Executive Director Rosen added that the agreement was subject to availability of funds on an annual basis because the Agency's budget was on an annual basis and every five years, the Agency Commission with whomever was serving at that time, would have the opportunity to revisit the status of the agreement, so the Commission would always have the discretion and authority on an annual basis when it considers the Agency's annual budget.

Commissioner Singh asked if the matter could be continued for a couple of weeks so that he could get the same explanation that Commissioner Palamountain received on the details of the operating agreement. Mr. Singh stated he did not deny the merits and value of the program, but his concern was the agreement's 15-year term because the present Commission was being asked to approve a long-term contract for succeeding Commissioners who would not have the benefit of knowing all of the details of the agreement.

Executive Director Rosen stated that the information was provided to the Commission in the form of an informational memorandum on May 18, 2004 and the same was attached to the memorandum for the item before the Commission. Ms. Rosen offered that staff would be available to meet with Commissioner Singh or any other Commissioners to provide more information.

Commissioner Dunlop stated he wanted to thank members of the public who came to the meeting because it was important to hear from the public that the Commission was doing the right thing. Mr. Dunlop thanked staff for developing a very sound program and operating agreement with plenty of support from the community that allowed the Center for the Arts to have adequate assurances for long-term

operation that was critical for successful fundraising. Mr. Dunlop lent his support for the approval of the operating agreement.

President Romero thanked everyone who came and testified on a very important community asset. Mr. Romero thanked staff for the May 18th informational memorandum because it was very useful background information in considering the operating agreement. Mr. Romero stated that the Commissioners' queries and concerns come from a genuine interest for the public's welfare and a conscientious fiscal responsibility during difficult economic times. Mr. Romero assured the public that every one of the Commissioners loved and enjoyed Yerba Buena Gardens and all of its facilities as evidenced by its ongoing support for many years. Mr. Romero shared that he was pleasantly surprised to see Ms. Rebeca Mauleon testify at the meeting because he had seen her perform for many years as an accomplished pianist.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 79-2004, AUTHORIZING AN AMENDED AND RESTATED OPERATING AGREEMENT WITH THE YERBA BUENA CENTER FOR THE ARTS, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, WITH A FIRST EXTENDED TERM OF FIFTEEN YEARS IN AN AMOUNT NOT TO EXCEED \$3,555,000 PER YEAR AND A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$53,325,000 DURING SUCH FIRST EXTENDED TERM, PAYABLE FROM APPLICABLE LEASE REVENUES AND SUBJECT TO THE AVAILABILITY OF FUNDS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) and 4 (g) were presented together and acted upon separately.

4 (f) Resolution No. 80-2004, Authorizing an Owner Participation Agreement with 801 Elm Street, LLC, a California limited liability company, for the

proposed development of 28 condominium units at 837 Turk Street, located between Gough and Franklin Streets (Assessor's Block 761, Lot 26 and a portion of Lot 27); Western Addition Redevelopment Project Area A-2

4 (g) Resolution No. 81-2004, Conditionally approving the schematic design for 837 Turk Street, located between Gough and Franklin Streets (Assessor's Block 761, Lot 26 and a portion of Lot 27); Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades, Elena Branick (Agency staff), Bill Hull (Gary Gee Architects)

Speakers: Mary Rogers

Commissioner Dunlop put forth a motion to adopt item 4 (f). Mr. Dunlop inquired about the issue on Elm Street and requested confirmation that the affordable units would be exactly the same as the market-rate units. Mr. Dunlop requested staff to provide the information requested by Mrs. Mary Rogers.

Ms. Denise Blades, Development Specialist, stated that Elm Street was currently a dead-end alley and needed to be opened-up to accommodate the building design. Ms. Blades added that the Agency had assurances from the City that there would not be a problem with opening the street. Ms. Blades confirmed that all of the units, affordable and market-rate would have the same amenities.

Ms. Shirley Wysinger, Senior Project Manager, informed the Commission that the proposed project had been presented to the Western Addition Citizens' Advisory Committee (CAC) as recent as the previous week and staff always endeavored to provide as much information to the CAC on a monthly basis. Ms. Wysinger stated that the only information that was not provided was the sales price of the units because the developer did not have the information at that time, but the information was now available.

Commissioner Singh asked why one of the studio units had more square footage than a one-bedroom unit.

Bill Hull, Project Architect, stated the size of the units was determined by the location of the unit in the building and the circulation around the units.

Ms. Elena Branick, Senior Agency Architect, added that the unit size was determined by calculating the vertical and horizontal dimensions of the unit in relation to the required "Agency-room" count, which was defined as the kitchen, living room and bedroom.

Commissioner Sexton stated she agreed with Mrs. Rogers concerns about getting information in a timely manner because the design exhibits were not provided to the Commission until just before the meeting started and it was really important to have the relevant information in advance of the Commission's consideration of schematic designs for development projects.

Commissioner Yee asked if unit sales prices were available.

Mr. Joseph Debro of Transbay Engineering and Builders, informed the Commission that the approximate prices, which were subject to change, were as follows: \$410,000 for studios, \$440,000 for one-bedroom units, and \$500,000 for two-bedroom units.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 80-2004, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH 801 ELM STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE PROPOSED DEVELOPMENT OF 28 CONDOMINIUM UNITS AT 837 TURK STREET, LOCATED BETWEEN GOUGH AND FRANKLIN STREETS (ASSESSOR'S BLOCK 761, LOT 26 AND A PORTION OF LOT 27); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 81-2004, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR 837 TURK STREET, LOCATED BETWEEN

GOUGH AND FRANKLIN STREETS (ASSESSOR'S BLOCK 761, LOT 26 AND A PORTION OF LOT 27); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (h) Resolution No. 82-2004, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$285,000, for homeowner assistance and housing development activities, as part of the Agency's Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

Commissioner King put forth a motion to adopt item 4 (h) and commended San Francisco Housing Development Corporation for doing a good job at both Western Addition and Hunters Point communities.

Commissioner Dunlop seconded Commissioner King's motion to adopt item 4 (h).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 82-2004, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$285,000, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES, AS PART OF THE AGENCY'S CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (i) Resolution No. 83-2004, Authorizing the execution of an Amended and Restated Loan Agreement with Agonafer Shiferaw, doing business as Rasselas Jazz Club, that restructures the repayment schedule and modifies the subordination provisions for an existing \$1,005,000 tenant improvement loan associated with 1534-40 Fillmore Street; Western Addition Redevelopment Project Area A-2

Presenters: Tracie Reynolds (Agency staff)

Speakers: Mary Rogers, Ace Washington, Carl Williams, Roger Gordon,
Charles Spencer, Essie Collins

Commissioner King put forth a motion to adopt item 4 (i) and stated that although Rasselas Jazz Club had not had the success that was anticipated, it was important for the Agency to continue its financial support and hope for the business to succeed.

Commissioner Palamountain requested verification that the basis for granting the loan agreement was not only to assist a small business who had been on the Fillmore for quite a while, but also the Agency had a much more secure basis for the tenant improvement loan. Ms. Palamountain stated she assumed that Mr. Shiferaw could not initially obtain a more favorable tenant improvement loan until he acquired the property through the acquisition loan, which would give him the equity he needed. Ms. Palamountain asked if there was a requirement in the loan agreement that Mr. Shiferaw would continue to operate as a jazz club. Ms. Palamountain asked staff to explain the rationale for the Agency's subordination of the loan and asked if the subordination decision would come before the Commission.

Ms. Tracie Reynolds, Development Services Manager, affirmed that the amended and restated loan agreement would indeed assist Rasselas Jazz Club and provided security for the tenant improvement loan. Ms. Reynolds stated that Commissioner Palamountain was correct in her assumption and added that lenders had different underwriting requirements for acquisition loans as opposed to refinancing when Mr. Shiferaw was actually the owner of record of the property. Ms. Reynolds stated that Mr. Shiferaw was required to operate the business as a jazz club under the existing loan agreement as well as the amended loan agreement. Ms. Reynolds stated the reason for the subordination was to allow Mr. Shiferaw to proceed with expansion and improvement plans, which would include soundproofing the back space to make it usable for jazz performances and to expand the jazz club space into the existing café space at the front of the property, as the café space had not generated the anticipated revenue. Mr. Shiferaw needed the ability to at least obtain an additional line of credit for a set amount, in order to make the desired tenant improvements and he would not be able to do that unless the Agency agreed to subordinate the loan. The process in the loan agreement stipulated that the Agency would not agree to subordinate the loan unless Mr. Shiferaw: first, refinances the acquisition loan; second, he was in full compliance with the terms of the loan agreement; and third, the Agency would approve the amount and what it would be specifically used for. Ms. Reynolds pointed out that the improvements to the property would be to the benefit of the Agency in that it would increase the

value of the property because it would be money invested back into the property. Ms. Reynolds stated that the subordination would not need to come before the Commission.

Commissioner Palamountain seconded Commissioner King's motion to adopt item 4 (i). Ms. Palamountain stated she had some concerns that the Agency not have two properties right next to each other, Parcel 732-A being the other, that may be competing at odds with each other. Ms. Palamountain stated she would like the Agency to continue working on business models to ensure the viability of all businesses in the Fillmore, but she was specifically concerned with the debt load on the property. Ms. Palamountain thanked Mr. Shiferaw for his commitment and participation in the revitalization of the Fillmore and stated she was excited to see that the Agency was looking at ways to support small businesses through mechanisms like loan subordination and providing access to capital where it would otherwise not be available. Ms. Palamountain thanked staff for its hard work and stated she hoped that the Agency would take the knowledge and expertise from Fillmore and apply it to the Third Street corridor in Bayview, because the Agency's intervention could really help save a lot of money down the line if and when the Bayview redevelopment plan was adopted.

Commissioner Singh inquired about the 9.25% interest rate on the loan and payment based on eight percent of the annual gross revenue. Mr. Singh requested verification that Mr. Shiferaw would have a balloon payment at the end of loan term.

Ms. Reynolds stated that the 9.25% interest rate was the old interest rate under the existing loan and the amended loan agreement would change the interest rate to three percent. Ms. Reynolds stated that the loan payments based on a percentage of the gross revenue were under the previous loan agreement, and the amended loan agreement would change it to a regular, fully amortizing loan schedule. Ms. Reynolds stated since the loan was fully amortized, the remaining balance on the principal amount would be due in 2017 under the amended loan agreement.

Commissioner Yee stated he understood the favorable loan structure with Mr. Shiferaw, as the Agency was committed to help small businesses in the community, but pointed out that the \$1,005,000 loan was only secured by a leasehold interest. Mr. Yee opined that he did not believe that the property could be refinanced for a million dollars to repay the Agency loan. Mr. Yee asked how much money would be needed for the tenant improvements.

Ms. Reynolds stated that Mr. Shiferaw would not refinance to pay back the Agency loan right away. Instead he would refinance the loan to acquire the building, specifically to refinance the terms of the existing loan where he would go to a lender as the owner of record based on the value of the property instead of the acquisition price. Ms. Reynolds stated she understood that Mr. Shiferaw had been speaking with lenders to refinance the acquisition loan in order to get a better interest rate. Ms. Reynolds stated she did not have information about how much would be spent on the proposed tenant improvements, which would include soundproofing the back space to make it more usable and to expand the front area into the existing café space.

Executive Director Rosen explained that according to Mr. Shiferaw's tenant improvement plans, if he was able to take additional debt beyond the refinancing of the acquisition loan, it would be a maximum of \$500,000, \$300,000 of which would have to be used for tenant improvements and the remainder as a line of credit for operational costs of the business. Ms. Rosen stated that the current loan with Mr. Shiferaw was secured by a leasehold interest because that was all Mr. Shiferaw had, and under the amended loan agreement, the Agency would have a fee interest. Ms. Rosen stated that Mr. Shiferaw had a commitment for a loan to acquire the property at a beneficial price, which he had an option to do. Ms. Rosen reiterated that Mr. Shiferaw would refinance the acquisition loan for more favorable terms and not to repay the Agency, which would benefit both Mr. Shiferaw and the Agency in that he would be able to manage better and make the regular monthly payments to the Agency.

Commissioner Yee stated he agreed that if Mr. Shiferaw was able to refinance the acquisition loan, both he and the Agency would be in a much better position financially. Mr. Yee asked if the business could survive based on the revenue projections and if an appraisal had been done for the property.

Ms. Reynolds stated that Mr. Shiferaw had done his own financial analysis of his business and based on many conversations with him about what would be a manageable monthly payment, he had indicated that under the terms of the amended loan agreement, he would be able to manage. Ms. Reynolds stated that an appraisal of \$1.7 million of the property was done in January 2004.

Commissioner Yee opined that it was not easy to do business in the Fillmore area and that was why the Agency was lending a hand to Mr. Shiferaw and stated that hopefully the business would succeed. Mr. Yee lent his support for the amended and restated loan agreement.

Commissioner Singh asked what would happen if Mr. Shiferaw was not able to refinance the acquisition loan and if he would go out of business. Mr. Singh stated the Commission would very much like to see Rasselas succeed and the Agency was committed to helping out not only Rasselas, but also all businesses in the area.

Ms. Reynolds stated that if Mr. Shiferaw was not able to refinance the acquisition loan, the Agency would not subordinate the loan. Rasselas would not go out of business, but Mr. Shiferaw would not be able to do the tenant improvements on the property.

Commissioner Yee stated he recalled that Mr. Shiferaw had already exercised his option on the property, which was going to expire on June 30, 2004. Mr. Yee asked if Mr. Shiferaw would be able to meet the option deadline or need an extension.

Ms. Reynolds stated that Mr. Shiferaw had opened escrow and he intended to close escrow by the option deadline of June 30th.

President Romero stated he was satisfied that staff knew what it was doing and that Mr. Shiferaw had developed goodwill with the Agency in the way he had represented himself and his business, and it was the Agency's job to help out businesses like Rasselas however it could. Mr. Romero lent his support for the amended and restated loan agreement.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 83-2004, AUTHORIZING THE EXECUTION OF AN AMENDED AND RESTATED LOAN AGREEMENT WITH AGONAFER SHIFERAW, DOING BUSINESS AS RASSELAS JAZZ CLUB, THAT RESTRUCTURES THE REPAYMENT SCHEDULE AND MODIFIES THE SUBORDINATION PROVISIONS FOR AN EXISTING \$1,005,000 TENANT IMPROVEMENT LOAN ASSOCIATED WITH 1534-40 FILLMORE STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Rogers, Essie Collins, Dave Osgood, Carmen Johnson

7. REPORT OF THE PRESIDENT

- President Romero thanked Vice-President Dunlop for presiding over the last Commission meeting on June 1st.

8. REPORT OF THE EXECUTIVE DIRECTOR

(a) Applicability of the Agency's Affordable Housing Participation Policy to the proposed development at 1521 Sutter Street.

Ms. Rosen informed the Commission that the matter was no longer in contention and had been resolved successfully. Ms. Rosen stated she looked forward to bringing the matter for the Commission's consideration in full compliance with Agency policies.

- Received a letter from the United States Environmental Protection Agency

(EPA) congratulating the Agency on the award of the Brownfields grant for the Western Addition, which had been discussed with the CAC. The Agency applied in December 2003 for the maximum amount of \$400,000, \$200,000 to contribute to the remediation on Parcel 732-A and \$200,000 to do the environmental assessment for the cleanup necessary on four of the Octavia Boulevard parcels that would be used for affordable housing development. Ms. Rosen read a portion of the letter from the EPA: "On behalf of the United States Environmental Protection Agency, I am pleased to congratulate you and confirm that the San Francisco Redevelopment Agency has been selected as one of the entities with whom EPA will pursue negotiations to award a cooperative agreement. The San Francisco Redevelopment Agency submitted an outstanding grant proposal and we deeply appreciate the tremendous commitment of time and energy that went into its preparation." Ms. Rosen informed the Commission that staff had already heard from the EPA following the letter facsimile and staff would be working with them and the community to prepare the specific proposals for the Western Addition. Ms. Rosen acknowledged the hard work of staff including the Agency's most recent Urban Fellow, Susana Vilardell who worked with Deputy Executive Director Joanne Sakai and Senior Attorney, Heidi Gewertz for their excellent work in helping revitalize the Western Addition.

- Board of Supervisors' Budget Committee hearing on the Agency's budget scheduled for June 17th and June 28th at 10:00 a.m., where Agency staff and other City departments would be presenting.
- Urban Solutions workshop on June 16th at the West Bay Conference Center on buying businesses and a celebration at Rasselas Jazz Club of the opening of the Urban Solution's offices on Fillmore Street, from 5:00 to 7:00 p.m. on June 30th.
- Juneteenth Festival from June 17th through June 20th. Ms. Rosen congratulated the Juneteenth Committee on its outreach and fundraising on what promised to be a very successful, well-sponsored community event.
- Annual Jazz Festival on the 4th of July weekend along Fillmore Street, from Eddy to Jackson Streets.
- Mayor Newsom's town hall meeting for District 5 to be held at the Ben

Franklin Middle School on Saturday, June 26th from 11:00 a.m. to 1:00 p.m. Ms. Rosen had been invited along with other City department heads to join the Mayor in meeting the community.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he was in support of the public's testimony regarding the 1210 Scott Street project and he agreed that the priority was to develop affordable housing to meet the community's need.
- Commissioner Sexton requested Commission Secretary Erwin R. Tanjuaquio to resume preparation of the calendar of community/agency events to be provided to the Commission.
- Commissioner Singh asked the Executive Director to provide a response to Mr. Dave Osgood's comments about the Rincon Center below market-rate units.

Executive Director Rosen stated that what she reported to the Commission at the last meeting was that there was correspondence regarding a dispute resolution proceeding. Ms. Rosen stated staff could prepare another informational memorandum on the numerous correspondences, the issues raised by Mr. Osgood, and the responses that staff had provided. Mr. Osgood had corresponded with various City officials and Agency staff had provided responses to those as well. There had been ongoing dialogue between staff and Mr. Osgood and the tenants' association since the Commission adopted the Housing Plan for Rincon Center in 2001. Ms. Rosen added that she reviewed all correspondence on the matter that came to the Agency and responses prepared by staff.

- Commissioner Dunlop congratulated staff on receiving the Brownfields Grant from the EPA and thanked staff for the hard work that would benefit the Agency, the community and the City.
- Commissioner King inquired about the 1210 Scott Street project and

asked if the matter had been discussed with the community before the matter was placed on the Agenda.

Executive Director Rosen stated the matter was placed on the Agenda for closed session so that staff could obtain directions from the Commission because staff received an unsolicited proposal from the Jewish Community High School. The Agency would not be taking action and staff certainly could not provide information to the public without getting directions from the Commission. Ms. Rosen stated that after the closed session meeting, staff would follow the Commission's directions and inform the public.

- Commissioner Yee asked the General Counsel if the Commission could vote not to discuss the calendared closed session item.

General Counsel James B. Morales stated if Commissioner Yee's question was did the Commission have discretion to hear a closed session matter in open session, the answer would be yes, if the Commission so desired.

- Commissioner Yee put forth a motion to not discuss the calendared closed session matter.

General Counsel Morales stated he wanted to clarify that if the Commission decided to take up the closed session matter in open session, the Commission would need to notice the matter on a new agenda so that the public could have the opportunity to come and hear the matter.

- Commissioner Yee stated that all he wanted to do was to postpone discussion of the calendared closed session matter and his motion was to continue it for a future Commission meeting.
- President Romero stated that this was an ideal matter for closed session discussion so that the Commission could be consulted on the particulars of the property negotiations, and this was the reason that the law was put in place so that the negotiations portion was not discussed in public. Mr. Romero stated the Commission had been diverted to discussing what the property should be used for and it was inappropriate to have such discussion prior to the consultation in closed session. Mr. Romero urged

the public to have a little trust and allow for the consultation to occur and provide its input or raise any concerns when the matter was discussed publicly. Mr. Romero stated he would not support any continuance of the closed session discussion.

- Commissioner Singh seconded Commissioner Yee's motion to continue the closed session matter and asked if there would be any impact if the matter was continued and stated he would like to have the input from the community.

Executive Director Rosen stated she could not say that there was urgency, but the Mayor requested that the matter be discussed with the Commission and she would like the opportunity to discuss the matter in closed session.

- Commissioner King stated he agreed with Commissioner Yee that the closed session should be postponed because of the public's concerns about the property's use. Mr. King stated it would be a waste of time to have the closed session meeting now that the matter had become public.
- Commissioner Palamountain requested to take up the continuance motion at the closed session meeting so that it could be determined if the matter should be continued or not.
- Commissioner Yee agreed to go to closed session.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcels 729 A1, B, and portions of 3 (Assessor's Block No. 729, a portion of Lot 44), 1210 Scott Street, Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is the Jewish Community High School of the Bay. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Tracie Reynolds, and Shirley Wysinger.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:39 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

July 20, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE

20TH DAY OF JULY 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of July 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Benny Y. Yee

And the following were absent:

Darshan Singh

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.

Closed Session meeting held on June 15, 2004

(a) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcels 729 A1, B, and portions of 3 (Assessor's Block No. 729, a portion of Lot 44), 1210 Scott Street, Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is the Jewish Community High School of the Bay. Agency negotiators: Marcia Rosen, Joanne Sakai, Olson Lee, Tracie Reynolds, and Shirley Wysinger.

Executive Director Rosen reported that at the closed session meeting of June 15th, the Commission directed staff to conduct a meeting with the Western Addition Citizens' Advisory Committee (CAC) to discuss development options for 1210 Scott Street, and to subsequently schedule a Commission workshop. A copy of a letter informing the Agency that 1210 Scott Street Inc. had withdrawn its proposal to build a gymnasium on the property was included in the Commission's Agenda packet. At the July 8th CAC meeting, Agency staff informed the CAC of the withdrawn proposal and that the Agency would be working with the CAC to evaluate development options for the site. Ms. Rosen stated that staff would keep the Commission informed.

Speakers: Mary Helen Rogers

3. **MATTERS OF UNFINISHED BUSINESS:** None.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of June 15, 2004

4 (b) Resolution No. 84-2004, Authorizing a Third Amendment to the Owner Participation Agreement with the Roman Catholic Welfare Corporation, a California nonprofit religious corporation, to revise the performance schedule for Phase 4 of the project located on Lots 1, 14, and 16 of Assessor's Block 737; Western Addition Redevelopment Project Area A-2

4 (c) Resolution No. 85-2004, Authorizing a Fifth Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, a California nonprofit public benefit corporation, and California Properties of Woman's Division, Inc., a California nonprofit public benefit corporation, to revise the schedule of performance for the rehabilitation of 88 units of very-low income rental units at 1040 Bush Street, Citywide Tax Increment Housing Program

4 (d) Resolution No. 86-2004, Authorizing the Executive Director to enter into a Letter Agreement between the Redevelopment Agency of the City and County of San Francisco and Safeway Inc., WCP I, and WCP II to temporarily modify the use restrictions in the Gene Suttle Plaza; Western Addition Redevelopment Project Area A-2

4 (e) Resolution No. 87-2004, Authorizing a Third Amendment to the Amended and Restated Housing Opportunities for Persons With AIDS Capital Loan Agreement with the Housing Services Affiliate of the Bernal Heights Neighborhood Center, a California nonprofit public benefit corporation, in an amount not to exceed \$35,833.00, to complete an additional scope of work, for a total aggregate amount not to exceed \$505,644.00 for the rehabilitation of Stinson House located at 119-121 Holly Park Circle

Consent Agenda items 4 (c) and 4 (d) were withdrawn from the Consent Agenda

The Commission voted on the remaining items 4(a), 4(b) and 4 (e) on the Consent Agenda

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JUNE 15, 2004, 4 (b) RESOLUTION NO. 84-2004, AUTHORIZING A THIRD AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH THE ROMAN CATHOLIC WELFARE CORPORATION, A CALIFORNIA NONPROFIT RELIGIOUS CORPORATION, TO REVISE THE PERFORMANCE SCHEDULE FOR PHASE 4 OF THE PROJECT LOCATED ON LOTS 1, 14, AND 16 OF ASSESSOR'S BLOCK 737; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND 4 (e) RESOLUTION NO. 87-2004, AUTHORIZING A THIRD AMENDMENT TO THE AMENDED AND RESTATED HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT WITH THE HOUSING SERVICES AFFILIATE OF THE BERNAL HEIGHTS NEIGHBORHOOD CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$35,833.00, TO COMPLETE AN ADDITIONAL SCOPE OF WORK, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$505,644.00 FOR THE REHABILITATION OF STINSON HOUSE LOCATED AT 119-121 HOLLY PARK CIRCLE, BE ADOPTED.

The Commission considered items 4 (c) and 4 (d) as separate items.

4 (c) Resolution No. 85-2004, Authorizing a Fifth Amendment to the Regulatory and Grant Agreement with Mary Elizabeth Inn, a California nonprofit public benefit corporation, and California Properties of Woman's Division, Inc., a California nonprofit public benefit corporation, to revise the schedule of performance for the rehabilitation of 88 units of very-low income rental units at 1040 Bush Street, Citywide Tax Increment Housing Program

Presenters: Lucia Mele (Agency staff)

Speakers: Mary Rogers

Commissioner Sexton expressed concerns about the delay of the project and recalled that the Commission made clear when it previously approved an extension that staff at the Mary Elizabeth Inn assured the Commission that the project would be completed. Ms. Sexton stated she was not concerned with the delays of the window installation, but she wanted to ensure that the project met the deadline. Ms. Sexton put forth an amendment to Resolution No. 85-2004 that added the following to the resolved clause: "and (4) to report back to the Commission on the progress of the master lease agreement with the Department of Human Services by September 21, 2004."

Commissioner Palamountain seconded Commissioner Sexton's motion to amend Resolution No. 85-2004 and stated she had the same concerns as Ms. Sexton's and was extremely concerned with the 35 vacancies in the building. Ms. Palamountain asked what the rental levels were for the 35 units and if there were subsidies available, if the rooms had their own bathrooms and kitchenettes, what the market-rate rentals were for similar units, and if Mary Elizabeth Inn had residency criteria or restrictions based upon religion, age, or clean and sober status.

Ms. Lucia Mele, Development Specialist, stated that 30 of the rooms rented for \$675.00 a month and designated for individuals at 50% of the Area Median Income (AMI), and the remaining five rooms were

Supportive Housing Initiative Act (SHIA) rooms. The rooms all had shared bathrooms. Ms. Mele stated that only the five SHIA rooms had subsidies and that the market-rate rentals around the Union Square area were at \$875.00 a month. Ms. Mele stated that Mary Elizabeth Inn did not have residency criteria, but its handbook stated that it is a weapon-free, drug-free and alcohol-free residence. Ms. Mele added that the Department of Human Services (DHS) believed that it had the population to fill the vacant rooms.

Commissioner Palamountain stated she was surprised to see that much vacancy for affordable units and wanted to hear a progress report in September, and if there was no progress on the rooms, she wanted to know what the default remedies were.

Commissioner Dunlop stated he agreed that there should be a progress report, but a simple request from the Commission president would suffice without amending the resolution. Mr. Dunlop thanked staff for working with DHS to fill the vacant rooms.

Commissioner Yee stated he wanted to follow-up with Commissioner Palamountain's questions about the vacant rooms and asked if staff had any plans to fill the rooms.

Executive Director Rosen stated that was the purpose for entering into a master lease agreement with the DHS because there will then be direct referrals from the DHS as well as subsidies to ensure that the lowest income and at risk homeless women could reside at Mary Elizabeth Inn. Ms. Rosen stated that staff had strongly encouraged Mary Elizabeth Inn to enter into the master lease agreement and staff helped broker the discussions with the DHS. Mary Elizabeth Inn had endorsed the proposed agreement both to serve the community and to resolve their vacancy and solvency problems. Ms. Rosen stated that staff fully expected to bring the master lease agreement to the Commission at its meeting on September 21, 2004.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4(c) RESOLUTION NO. 85-2004, AUTHORIZING A FIFTH AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT WITH MARY ELIZABETH

INN, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND CALIFORNIA PROPERTIES OF WOMAN'S DIVISION, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE REHABILITATION OF 88 UNITS OF VERY-LOW INCOME RENTAL UNITS AT 1040 BUSH STREET, CITYWIDE TAX INCREMENT HOUSING PROGRAM AS AMENDED, BE ADOPTED.

4 (d) Resolution No. 86-2004, Authorizing the Executive Director to enter into a Letter Agreement between the Redevelopment Agency of the City and County of San Francisco and Safeway Inc., WCP I, and WCP II to temporarily modify the use restrictions in the Gene Suttle Plaza; Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades (Agency staff)

Speakers: Mary Rogers

Commissioner Yee stated he agreed with the concerns raised by Mrs. Rogers about the maintenance of the plaza area around Safeway and asked if there was any way to ensure that Safeway maintained the area before entering into a letter agreement.

Executive Director Rosen stated that staff was in discussion with Safeway about the issues that both Ms. Denise Blades and Mrs. Mary Rogers spoke about and pointed out that the proposed letter agreement was to the benefit of the Agency because it was the Agency that sponsored the events on the plaza and the Agency was not permitted to use the plaza without the permission of the partnership. Ms. Rosen stated that the letter agreement was temporary to allow for the free jazz concerts on the plaza to take place until a permanent agreement was negotiated.

Commissioner Yee asked if there was a better way to inform Safeway of its responsibility to maintain the area and if it was possible to send a letter to Safeway informing them of the Commission's concerns.

Executive Director Rosen stated that staff had been in discussion with Safeway about the maintenance matters and had been negotiating a permanent agreement to address the issues. Ms. Rosen added that staff, the CAC and Safeway and the Zeto partnership were all aware of the issues and the Agency was fortunate to have the additional eyes from members of the CAC and others in the community. Ms. Rosen stated there had been numerous correspondences with Safeway about the issues and she would report back to the Commission with additional information.

Commissioner King recalled there was an issue with Popeye's Chicken earlier and asked if the Executive Director was aware of it. Mr. King stated that earlier in the day, Smokey Robinson was advertising his gumbo and there was an enormous crowd including the police that had gathered. Mr. King stated he agreed with Mrs. Mary Rogers that the Agency should be aware of such events and issues that affect the community.

Executive Director Rosen stated she was informed about the issue at Popeye's Chicken and that they have retained a community liaison person to set up meetings with several ministers in the Western Addition as well as members of the community.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 86-2004, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A LETTER AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND SAFEWAY INC., WCP I, AND WCP II TO TEMPORARILY MODIFY THE USE RESTRICTIONS IN THE GENE SUTTLE PLAZA; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

REGULAR AGENDA

4 (f) Resolution No. 88-2004, Authorizing a Ninth Amendment to the Operating Agreement with Zeum, a California nonprofit public benefit corporation, to adjust the level of annual operating support and make certain other changes; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Adrienne Pon

Commissioner Palamountain put forth a motion to adopt item 4 (f) and stated that the proposed change in the level of annual operating support for Zeum made a lot of sense from a policy perspective and ensured the ongoing fiscal health of the Yerba Buena Gardens. Ms. Palamountain stated she wanted to publicly thank Zeum for engaging in the negotiations with staff and particularly for meeting with her to address some of her concerns.

Commissioner Yee seconded Commissioner Palamountain's motion to adopt item 4 (f) and stated he was glad to see that Agency staff, Zeum and its staff were all happy and congratulated all.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 88-2004, AUTHORIZING A NINTH AMENDMENT TO THE OPERATING AGREEMENT WITH ZEUM, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO ADJUST THE LEVEL OF ANNUAL OPERATING SUPPORT AND MAKE CERTAIN OTHER CHANGES; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (g) Resolution No. 89-2004, Authorizing the execution and delivery of an Amended and Restated Indenture of Trust, a Financing Agreement and a First Amendment to Regulatory Agreement relating to its Multifamily Housing Revenue Bonds (Related - Third and Mission) 1999 Series C and 1999 Series D, and authorizing the execution and delivery of and approving other related documents and approving other related actions in connection therewith; Yerba Buena Center Redevelopment Project Area

Presenters: Olson Lee (Agency staff)

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 89-2004, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE OF TRUST, A FINANCING AGREEMENT AND A FIRST AMENDMENT TO REGULATORY AGREEMENT RELATING TO ITS MULTIFAMILY HOUSING REVENUE BONDS (RELATED - THIRD AND MISSION) 1999 SERIES C AND 1999 SERIES D, AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND APPROVING OTHER RELATED ACTIONS IN CONNECTION THEREWITH; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Resolution No. 90-2004, Authorizing the execution of a Personal Services Contract with Ghirardelli Associates, Inc., a California corporation, for design services for abatement and demolition/deconstruction of existing buildings at Hunters Point Shipyard in an amount not to exceed \$106,238.80, Hunters Point Shipyard Redevelopment Project Area

Presenters: Kevin Masuda (Agency staff)

Speakers: Dorris M. Vincent

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 90-2004, AUTHORIZING THE EXECUTION OF A PERSONAL SERVICES CONTRACT WITH GHIRARDELLI ASSOCIATES, INC., A CALIFORNIA CORPORATION, FOR DESIGN SERVICES FOR ABATEMENTS AND DEMOLITION/DECONSTRUCTION OF EXISTING BUILDINGS AT HUNTERS POINT SHIPYARD IN AN AMOUNT NOT TO EXCEED \$106,238.80, HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

4 (i) Resolution No. 91-2004, Authorizing a First Amendment to the Personal Services Contract with Costless Maintenance Services Co., Inc., a California corporation, to add services and to increase the monthly compensation by \$481 for an aggregate contract amount not to exceed \$52,000 for janitorial services at South Beach Harbor; Rincon Point-South Beach Redevelopment Project Area

Presenters: Jim Nybakken (Agency staff)

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 91-2004, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH COSTLESS MAINTENANCE SERVICES CO., INC., A CALIFORNIA CORPORATION, TO ADD SERVICES AND TO INCREASE THE MONTHLY COMPENSATION BY \$481 FOR AN AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$52,000 FOR JANITORIAL SERVICES AT SOUTH BEACH HARBOR; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (j) and 4 (k) were presented together and acted upon separately.

4 (j) Resolution No. 92-2004, Authorizing an Owner Participation Agreement with the Blumenfeld Trust, Alan Lee Blumenfeld, and Max Blumenfeld, for the proposed development of 28 condominium units at 1521 Sutter Street, located between Octavia and Gough Streets (Assessor's Block 688, Lot 20); Western Addition Redevelopment Project Area A-2

4 (k) Resolution No. 93-2004, Conditionally approving the schematic design for 1521 Sutter Street, located between Octavia and Gough Streets (Assessor's Block 688, Lot 20); Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades, Saiful Abedin (Agency staff), Toby Levy (Architect)

Commissioner Sexton requested verification that the 28 parking spaces were

dedicated to each of the 28 units, and asked how the stacker units would work.

Ms. Denise Blades, Development Specialist, stated the 28 parking spaces would be deeded to each of the 28 units.

Ms. Toby Levy, project architect, stated the stacker units in the parking garage would be independently accessible and would not require other automobiles to be moved and not require special access keys.

Commissioner Dunlop requested verification that all of the housing units including the affordable units would have the same quality equipment and amenities. Mr. Dunlop asked if there was bicycle parking provided to encourage bicycle use.

Ms. Blades stated that all of the housing units would have the same quality equipment and amenities.

Ms. Levy stated that although there was no specific allocation for bicycle parking in the garage, there was adequate space to accommodate bicycle parking should the need arise.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (j) RESOLUTION NO. 92-2004, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH THE BLUMENFELD TRUST, ALAN LEE BLUMENFELD, AND MAX BLUMENFELD, FOR THE PROPOSED DEVELOPMENT OF 28 CONDOMINIUM UNITS AT 1521 SUTTER STREET, LOCATED BETWEEN OCTAVIA AND GOUGH STREETS (ASSESSOR'S BLOCK 688, LOT 20); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (k) RESOLUTION NO. 93-2004, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR 1521 SUTTER STREET, LOCATED BETWEEN OCTAVIA AND GOUGH STREETS (ASSESSOR'S BLOCK 688, LOT 20); WESTERN ADDITION

REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (I) Resolution No. 94-2004, Authorizing a Purchase and Sale Agreement and related documents for the Agency's acquisition of 301 Bryant Street, Unit D23, a residential condominium, in an amount not to exceed \$563,000, plus related closing costs; Affordable Homeownership Program; Rincon Point-South Beach Redevelopment Project Area

Presenters: David Sobel (Agency staff)

Commissioner Sexton asked what 120% of the Area Median Income (AMI) represented in annual income. Ms. Sexton requested verification that a person in the 120% of AMI would be able to afford the \$243,000 purchase price. Ms. Sexton asked why the interest rate was so high and expressed concern with the Agency's total investment in the unit given that there were other homeownership units coming on line and the desire to keep the unit affordable forever.

Mr. David Sobel, Senior Development Specialist, stated that 120% of AMI represented \$79,000 annual income for a single person, which person would qualify and afford the affordable purchase price of \$243,000 using the Agency's Form C calculation. Mr. Sobel explained that the 10-year rolling interest rate average of 7.35% was to allow for spikes and valleys in interest rates overtime so that the resale purchase prices every time a home was resold was tied as closely as possible to change in area median income rather than external market factors. Mr. Sobel stated that when the unit was converted to the Form C model, the owner would be required to sign a 45-year contract with the Agency and the end of the 45 year period, they would either renew for another 45-years or pay the Agency the difference between the fair-market value and the affordable price calculated at year 45.

Commissioner Palamountain asked if the Agency invested in the construction of the building in addition to the second deeds for the affordable units. Ms. Palamountain asked how many of the affordable units had converted to Form C and asked if the 974 square-foot studios were being marketed only to single-family households or were they available to two- and three-person households.

Mr. Sobel stated he understood that the Agency provided a \$325,000 loan that assisted the developer to complete construction, which was repaid along with the share of the proceeds of the market-rate condominiums which was another

\$175,000. Mr. Sobel stated that his understanding was that the loan was repaid and the Agency notes on the affordable units did not actually represent Agency funds and they were simply markers for the affordable price versus the fair market value of the units. Mr. Sobel stated that only one unit had converted to Form C and the Agency established prices for both studio and one-bedroom units using a single-person household. Mr. Sobel stated that the studio units were available to two- and three-person households and the Agency just had a minimum occupancy requirement of one person per bedroom, but the affordable price was based upon occupancy of a single person under the Form C calculation.

Commissioner Palamountain stated she was interested in finding out what the demographics was for the Agency's inclusionary housing units within the Agency's affordable housing portfolio because she had a concern that the Agency was putting a lot of young single people at the beginning of their career where they met the initial income guidelines, but that income rapidly changes and they become a very different demographic than what was thought of needing affordable housing assistance. Ms. Palamountain stated she was very curious as to what the demographics were for the Agency's inclusionary housing for smaller units and if that demographics information was consistent with the policy decision that the Agency had made in light of the enormous sums of money that the Agency had to spend to maintain the affordability of the units. Ms. Palamountain stated she was glad to see that members of the Bayview Project Area Committee were in attendance because they would be looking at a similar situation in the affordable housing program for the Bayview community. Ms. Palamountain stated that such affordable housing units, if they were turned over, could potentially be lost in a generation if the Agency did not have the financial resources to maintain them as affordable units. Ms. Palamountain stated she wanted to renew her concern to the Executive Director and Mr. Olson Lee that decisions were being made on a unit-by-unit basis and the Agency did not have a real good sense of where the affordable homeownership portfolio was headed as a whole. Ms. Palamountain requested that a workshop or policy-based discussion be conducted on the Agency's affordable homeownership program, what the Agency's potential outstanding liability was to keep the units affordable so that the Agency could make a decision based on the affordable homeownership portfolio as a whole, rather than a unit-by-unit basis. Ms. Palamountain stated she would like the workshop on the Agency's affordable homeownership program to take place in September 2004. Ms. Palamountain put forth a motion to adopt item 4 (I) with her stated concerns noted.

Commissioner Dunlop stated he agreed with everything that Commissioner Palamountain had stated and seconded her motion to adopt item 4 (I). Mr. Dunlop stated it appeared that the Agency was funding "yuppie" housing, but that need not be a bad thing because there were individuals in that category that needed housing assistance as well. Mr. Dunlop stated he was not sure if that should be the Agency's target population for its affordable homeownership program and it would be very helpful to have that discussion at the suggested

workshop.

President Romero stated that with all of the things that the Commission dealt with in his six years on the Commission, the Agency's affordable homeownership program was the most difficult to understand and asked what the Agency's total investment was on just the one unit at 301 Bryant Street.

Mr. Sobel stated the Agency issued a \$325,000 loan for the whole project, which was repaid by the developer, and the Agency did not actually have any cash invested in Unit D23 and the issue would only arise if the Agency decided to repurchase the unit directly or if another affordable homebuyer was found. In either case, the asking price of \$563,000 would have to be raised between the Agency and the new affordable homebuyer.

President Romero stated he understood that if the Agency repurchased the unit directly or found a new affordable homebuyer, the Agency would have to invest an additional \$150,000, and asked how much the Agency initially invested in the unit when it was first built.

Executive Director Rosen explained that the Agency did not put any money into the unit and the money owed to the Agency represented the difference in value between the market-rate and affordable price. It was a "silent second" deed of trust representing that value that the Agency had for the inclusionary housing, but the Agency did not have to put any money into the unit at all.

President Romero stated that if a new affordable homebuyer were found, they would have to pay the affordable price of \$243,000 for a unit that was valued at \$563,000 and asked who would receive the selling price of \$563,000. Mr. Romero asked if the original homebuyer made a profit on the sale of the unit.

Mr. Olson Lee, Deputy Executive Director of Housing, provided a background of the project and explained that the Agency, who owned the land, used its regulatory authority to mandate affordable homeownership units in the project. As stated earlier, the Agency did not actually put funds into the affordable units. When the Agency sold units, even at the affordable price, the Agency always secured its investment for the difference between the affordable price and the fair market value to try to use that difference in the subsequent transactions to maintain the affordability.

Mr. Sobel stated he did not have all the information to determine what profit the original homebuyer made, but based upon the original affordable purchase price and the selling price, the profit was not insignificant.

President Romero thanked Mr. Sobel for a good presentation and stated he was in favor of the workshop.

Commissioner Yee asked for an explanation of how the appreciation of the affordable unit's value was shared between the Agency and the affordable homebuyer.

Executive Director Rosen stated that Mr. Sobel or Mr. Lee would provide an explanation, but she wanted to remind the Commission that there had been a number of workshops explaining the evolution of the affordable homeownership program. The program had one form of a loan called Form A, which had one split of appreciation and after that, the secondary market, largely Fannie Mae's lending criteria, required the Agency to change to a Form B, which was a different split between the homebuyer and the Agency, and because of the rapid appreciation of property, the Agency had to put in more and more subsidy to maintain a unit's affordability under the shared appreciation model. Ms. Rosen stated that was why the Commission at its January 2004 meeting, asked staff to look at the limited-equity ownership model so that even though on the initial turnover from shared appreciation to limited equity, the Agency would have to put additional funds in, affordability would become self-perpetuating without an additional cash infusion from the Agency. Ms. Rosen stated the Commission could see that Unit D23 had appreciated very rapidly since 1999 because of the desirable location and amenities and it was this rapid appreciation that staff was trying to address by reverting to the Form C limited-equity model.

President Romero stated that Commissioner Palamountain's concern was since the Agency had this experience with this particular unit, what was the big picture in terms of the Agency's overall affordable homeownership portfolio. Mr. Romero stated he knew that there had been workshops, but not all of the issues had been fully discussed.

Executive Director Rosen stated she took note of Commissioner Palamountain's concerns and staff would amass as much information for the Commission's information. The total cost to the Agency would depend upon the turnover of property, and staff would prepare an estimate based upon the average turnover

per year. Ms. Rosen shared that during the time she was at the Mayor's Office of Housing, the average turnover of affordable homeowner units was every eight to ten years. For certain desirable properties, such as the Parkview Commons at Poly High School, there had been virtually no turnovers, particularly for the three-bedroom units. Ms. Rosen stated there were many different experiences and it was not easy to give a general rule.

Commissioner Palamountain stated she was aware of the differences between the different loan models and she was not saying that the Agency should re-think the Form C because she thought it was smart for the Agency to stay with the limited-equity model. Ms. Palamountain stated she was more concerned with two issues: First, as the Agency sold homeownership units under the Form C model in the future, she had not yet heard how the Agency was going to adequately explain to potential homebuyers the difference between traditional non-subsidized homeownership in which the homebuyer had the benefit of full equity as opposed to the limited-equity model, which as the name implied, really had limited equity, and although it was a good step towards homeownership, it was different and potential homebuyers need to be very clear about the program's limitations. Second, the Agency had an existing portfolio of affordable homeownership units that were not yet under the Form C limited-equity model and she wanted to get a sense of the Agency's exposure and what the Agency may experience over time.

Commissioner Yee asked how the appreciation for Unit D23 was shared between the Agency and the homeowner.

Mr. Sobel stated the Agency had a share of the appreciation based on a fraction, where the numerator was the amount of the Agency note and the denominator was the total affordable purchase price of the unit. In the case of Unit D23, the Agency's share of the value of the affordable price was about 41%. Normally, the repayment of the Agency's note and share of appreciation would not take place until either a default or a transfer or a sale of the property, and in this case, the property owner determined that the contract allowed him to prepay the Agency's note and therefore pay the share of appreciation based on an appraisal last year rather than now, at the time of sale. Mr. Sobel reiterated that the Agency's share of appreciation was 41% of the increased value of property from when the homeowner bought it.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (I) RESOLUTION NO. 94-2004, AUTHORIZING A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS FOR THE AGENCY'S ACQUISITION OF 301 BRYANT STREET, UNIT

D23, A RESIDENTIAL CONDOMINIUM, IN AN AMOUNT NOT TO EXCEED \$563,000, PLUS RELATED CLOSING COSTS; AFFORDABLE HOMEOWNERSHIP PROGRAM; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (m) and 4 (n) were presented together and acted upon separately.

4 (m) Resolution No. 95-2004, Authorizing a First Amendment to the Exclusive Negotiations Agreement with BRIDGE Housing Corporation, a California nonprofit, public benefit corporation, to extend the term for 12 months to negotiate a lease and to amend the schedule of performance for the development of approximately 132 units of very low income senior rental housing and 118 units of low income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

4 (n) Resolution No. 96-2004, Authorizing a Lease Option Agreement with BRIDGE Housing Corporation, a California nonprofit public benefit corporation, for the development of approximately 132 units of very low income senior rental housing and 118 units of low income ownership units at 5600 Third Street; Bayview Hunters Point Redevelopment Survey Area; Citywide Tax Increment Housing Program

Presenters: Pam Sims (Agency staff), Kevin Griffith (BRIDGE)

Speakers: Angelo P. King, Dorris M. Vincent

Commissioner King asked the representative from BRIDGE Housing if Dr. George Davis had approached them about locating supportive services in the proposed housing at 5600 Third Street.

Mr. Kevin Griffith of BRIDGE Housing, stated that they had met with Dr. Davis and discussed his vision about an aging campus and although it

would be some time before BRIDGE gets underway with the project, once Dr. Davis' group develops a plan, BRIDGE would be more than happy to talk with them about locating some of the support services in the building.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (m) RESOLUTION NO. 95-2004, AUTHORIZING A FIRST AMENDMENT TO THE EXCLUSIVE NEGOTIATIONS AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT, PUBLIC BENEFIT CORPORATION, TO EXTEND THE TERM FOR 12 MONTHS TO NEGOTIATE A LEASE AND TO AMEND THE SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF APPROXIMATELY 132 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AND 118 UNITS OF LOW INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (n) RESOLUTION NO. 96-2004, AUTHORIZING A LEASE OPTION AGREEMENT WITH BRIDGE HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE DEVELOPMENT OF APPROXIMATELY 132 UNITS OF VERY LOW INCOME SENIOR RENTAL HOUSING AND 118 UNITS OF LOW INCOME OWNERSHIP UNITS AT 5600 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (o) Authorizing the execution of a Lease Agreement with Canon Financial Services, Inc., a New Jersey Corporation, and a Maintenance Agreement with Canon Business Solutions-West, Inc., a California Corporation, for a Model ImageRunner 105 digital copier in a total amount not to exceed \$80,000 for a 60-month term

Presenters: Jim Nybakken (Agency staff)

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (o) AUTHORIZING THE EXECUTION OF A LEASE AGREEMENT WITH CANON

FINANCIAL SERVICES, INC., A NEW JERSEY CORPORATION, AND A MAINTENANCE AGREEMENT WITH CANON BUSINESS SOLUTIONS-WEST, INC., A CALIFORNIA CORPORATION, FOR A MODEL IMAGERUNNER 105 DIGITAL COPIER IN A TOTAL AMOUNT NOT TO EXCEED \$80,000 FOR A 60-MONTH TERM, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA

Commission Secretary Erwin Tanjuaquio announced that there was an item that staff wished to add to the July 20th Agenda and recited the following:

Section 54954.2 (b) of the Ralph M. Brown Act provided for the Commission to add items of business not appearing on the posted agenda under the following condition: Upon determination by a two-thirds vote of the members of Commission that there was a need to take immediate action and that the need for action came to the attention of the Agency subsequent to the Agenda being posted.

Mr. Tanjuaquio stated that Agency General Counsel would provide further details on the item proposed to be added to the July 20th Agenda.

General Counsel James B. Morales informed the Commission that late last week, Agency staff received two separate letters from potential parties that indicated an intent to name the Agency as a respondent in lawsuits for matters relating to the Transbay Environmental Impact Report certification that occurred about six weeks ago. The receipt of the two separate letters occurred after the posting of the July 20th Commission Agenda. The authority for a closed session for litigation was where the facts and circumstances indicated a significant exposure to litigation. The receipt of communication threatening litigation represented such facts and circumstances, so there was definitely authority for a closed session meeting. As the Commission Secretary had recited, consideration of an item that did not appear on the Agenda requires a two-thirds vote of the Commission (in this case, five Commissioners) voting to put the item on for closed session because there was a need to take immediate action, the need being to prepare for litigation, if and when the Agency was served with the petitions for these matters, and that the need to take action came to the Agency's attention after the Agenda was posted. Mr. Morales stated that in his opinion, the conditions had been met, and therefore, the Commission had the authority. Mr.

Morales informed the Commission that the parties threatening litigation were from (1) the Myers Development Company, which owned property within the Transbay area and (2) the Friends of Second Street.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT AN ITEM FOR CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION FOR TWO POTENTIAL CASES, BE ADDED TO THE CLOSED SESSION MEETING OF JULY 20, 2004.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Rogers

7. REPORT OF THE PRESIDENT

- President Romero reported that he had completed his tenure on the Mayor's Homeless 10-year Plan Council and shared that he chaired the subcommittee on supportive housing where it involved attendance at 10 to 15 additional meetings during the last three months. Mr. Romero thanked the Agency's Housing Division including Mr. Olson Lee, Ms. Pam Sims and Ms. Elizabeth Colomello for their support and hard work. Mr. Romero stated he thought that the Council developed a good plan to address and develop 3,000 units for the chronically homeless over the next 10 years and hopefully, much sooner than that.

8. REPORT OF THE EXECUTIVE DIRECTOR

- July 22nd, 2:00 to 4:00 p.m., Grand re-opening of the Herald Hotel at 308

Eddy Street.

- July 28th, 11:00 a.m. to 1:00 p.m., Grand re-opening of the Antonia Manor at 180 Turk Street.
- Fillmore Fridays beginning on Friday, August 6th, from 5:00 to 7:30 p.m. at the Gene Suttle Plaza with wonderful outdoor jazz concerts planned. The Fillmore District was recognized in an article in the July issue of the Sunset magazine, which highlighted the new vibrancy in the Fillmore community.
- Congresswoman Nancy Pelosi honored Ms. Michi Onuma on the U.S. Congressional Record, as one of the pioneers in the Western Addition who died recently, for her contributions to the Japantown and Western Addition communities as recognition for being one of the true heroes of San Francisco.
- Mayor Newsom had signed the Agency's budget resolution making the 2004/05 budget official and staff would be working to make minor adjustments on the printed budget and would make it available to the public and to the Commission.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Sexton stated she wanted to echo concerns raised by Mrs. Mary Rogers about Popeye's and Safeway and recalled that Mrs. Rogers over the past few years, had raised issues that the Agency had been slow to address even though there had been marked improvement. Ms. Sexton shared that she was at the Farmer's Market last Saturday and did notice oil stains on Gene Suttle Plaza, and even though it was not the Agency's direct responsibility to maintain the area, she suggested that staff should contact the Department of Public Health so they can issue citations for health hazards. Ms. Sexton shared that her 101-year old grandmother Ms. Roletta Avines, who died the night before, used to live in the Fillmore area during the 1930s and 1940s and asked the Commission to consider adjourning the July 20th Agenda in her memory.

- Commissioner King stated he noticed that the August 3rd meeting had been cancelled, and it seemed like the Commission did not find the need to meet anymore. Mr. King stated he felt that he was no longer sure what his purpose was as a Commissioner when it seemed that the President, Vice-President and Executive Director would cancel meetings and put a lot of items on one meeting and then cancel the next meeting. Mr. King stated that in all his years as Commissioner, he had never seen so many Commission meetings cancelled and felt that it was not proper to arbitrarily cancel meetings.
- President Romero stated the Commission used to have weekly meetings when the economy was in full swing until about a year ago when the Commission reduced the frequency of the meetings to two meetings a month with the idea of saving money by reducing the costs per meeting. Mr. Romero stated he and Vice-President Dunlop met regularly with the Executive Director to set the meeting agenda and were informed of proposed items to be included in the agenda and if there were only one or two or no items scheduled, he felt it was appropriate to cancel those meeting dates. Mr. Romero pointed out that the July 20th meeting was not long at all as the Commission had already deliberated on all of the items on the agenda and noted that it was only 6:30 in the evening, so he disagreed with the notion that a lot of items were placed on the agenda because of the cancelled August 3rd meeting. Mr. Romero stated the decision to cancel meetings was always based upon achieving efficiency of the Commission meetings and added that the Commission could have a meeting on August 3rd, but there would be no items to act on.
- Commissioner Yee stated he certainly supported Commissioner King's comments and recalled that the San Francisco Redevelopment Agency had been in existence for over 60 years and did not believe that it existed to only have one or two meetings a month. Mr. Yee stated he recalled the President stating that there were no items prepared, but yet the Commission could conduct a workshop such as the one suggested by Commissioner Palamounian on the Agency's Affordable Homeownership Program on those cancelled meeting dates so that the Commission as a whole could discuss and perhaps learn more about the program. Mr. Yee stated that it was a bad excuse to blame the economy on the cancellation of meetings because he believed that the Commission existed to serve the public and to provide the public the opportunity to address the Commission on matters of importance in their respective communities. Mr. Yee stated he sincerely hoped that the Commission would return to meeting regularly on a weekly basis.

- President Romero stated he would not support the idea of not having any meetings and thought that the Commission should continue with the scheduled two meetings a month on a regular basis because the Agency was legally obligated to conduct public meetings.
- Commissioner King stated that since the President stated that the Agency did not have enough to do, maybe the Agency had too many high-paid staff, and maybe the Commission should look at cutting back staff since they had nothing to present to the Commission. Mr. King stated he would like to look at the budget and see what the Agency staff's workload was since it appeared like there were no new programs or projects being developed.
- President Romero stated that the appropriate time to address staffing issues was during the budgetary process and reminded the Commission that the Agency's budget had just been approved.
- Commissioner Dunlop stated the City was in difficult budget times where the City had a huge budget deficit and to have unnecessary meetings would be a disservice to the citizens of San Francisco. Mr. Dunlop stated that any Commissioner could suggest a workshop and staff would do the work and conduct the workshop and all that a Commissioner had to do was to make the request. Mr. Dunlop stated he wanted to support the President and defend himself because when they have the agenda-setting meeting with the Executive Director, both he and the President always asked for items to be shifted if at all possible to fill the scheduled meeting dates as they anticipated the concerns raised about canceling meetings.

10. CLOSED SESSION:

(a) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Pier 40 in the Rincon Point-South Beach Redevelopment Project

Area and the party with whom the Agency may negotiate is AT&T Wireless. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Jim Nybakken, Tracie Reynolds, and Ricky Tijani.

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is known as Phelan Loop, 11 Phelan Avenue, Assessor Block 3180, Lot 001, and the party with whom the Agency may negotiate is the Department of Real Estate, Municipal Transportation Agency, City and County of San Francisco. Agency negotiators: Marcia Rosen, Joanne Sakai, Ayisha Benham, Olson Lee and Tracie Reynolds.

(c) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 790, and International Federation of Professional and Technical Engineers (IFPTE) Local 21. Agency negotiators: Marcia Rosen, Ayisha Benham, and James B. Morales.

(d) Pursuant to Government Code § 54956.9 (b): Conference with Legal Counsel regarding anticipated litigation: Two potential cases.

NOTE: Item 10 (d) added to the Closed Session meeting by a unanimous vote

of the Commission (Item 5. Matters not appearing on the Agenda)

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:04 p.m. The July 20, 2004 Commission meeting was adjourned in the memory of Ms. Roletta Avines.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

August 17, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE

17TH DAY OF AUGUST 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 17th day of August 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of July 20, 2004

4 (b) Resolution No. 98-2004, Authorizing a Second Amendment to the Letter Agreement with the Department of Public Works of the City and County of San Francisco, which increases the amount by \$200,000 for a total aggregate amount not to exceed \$630,000 for environmental and design work in furtherance of the Bayview Transportation Improvement Project; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Survey Area

4 (c) Resolution No. 99-2004, Authorizing a Second Amendment to a

Personal Services Contract with C.H. Elliott & Associates, a sole proprietor, to extend the term an additional 12 months to August 31, 2005, for real estate consulting services; Hunters Point Shipyard Redevelopment Project Area

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. DUNLOP, MR. KING AND MR. SINGH ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF JULY 20, 2004, 4 (b) RESOLUTION NO. 98-2004, AUTHORIZING A SECOND AMENDMENT TO THE LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO, WHICH INCREASES THE AMOUNT BY \$200,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$630,000 FOR ENVIRONMENTAL AND DESIGN WORK IN FURTHERANCE OF THE BAYVIEW TRANSPORTATION IMPROVEMENT PROJECT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, AND 4 (c) RESOLUTION NO. 99-2004, AUTHORIZING A SECOND AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH C.H. ELLIOTT & ASSOCIATES, A SOLE PROPRIETOR, TO EXTEND THE TERM AN ADDITIONAL 12 MONTHS TO AUGUST 31, 2005, FOR REAL ESTATE CONSULTING SERVICES; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

4 (d) Resolution No. 100-2004, Commending and expressing appreciation to Freda Alicia Williams-Winn for 32 years of public service upon the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Shirley Wysinger (Agency staff)

Speakers: Mary Rogers

Commissioner Palamountain put forth a motion to adopt item 4 (d) and stated she wanted to personally thank Ms. Williams-Winn for her dedication and long

service to the Redevelopment Agency. Ms. Palamountain congratulated Ms. Williams-Winn and wished her well on her retirement.

Commissioner Dunlop seconded Commissioner Palamountain's motion to adopt item 4 (d) and congratulated Ms. Williams-Winn on her retirement and thanked her for her good work at the Redevelopment Agency. Mr. Dunlop stated that Ms. Williams-Winn would be missed.

Commissioner Sexton stated she wished Ms. Williams-Winn the best of luck in her retirement and thanked her for her services to the Redevelopment Agency.

Commissioner Yee stated that Ms. Williams-Winn had worked at the Redevelopment Agency for 32 years, but he had not seen her. Mr. Yee thanked Ms. Williams-Winn for her wonderful work behind the scenes and congratulated her on her retirement.

President Romero congratulated Ms. Williams-Winn and thanked her for the hard work and that she deserved the special recognition from the Agency.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING AND MR. SINGH ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 100-2004, COMMENDING AND EXPRESSING APPRECIATION TO FRED A ALICIA WILLIAMS-WINN FOR 32 YEARS OF PUBLIC SERVICE UPON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4 (e) Resolution No. 101-2004, Commending and expressing appreciation to A. Don Capobres for his services on the occasion of his departure from the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen (Agency staff)

Speakers: Marcia Rosen, Mary Rogers, Joanne Sakai

(Joanne Sakai, Tracie Reynolds, Al Luis, Denise Blades, Mike

Grisso, Jeannie Wong, Collin Elliott sang to Mr. Capobres)

Commissioner Palamountain put forth a motion to adopt item 4 (e) and stated she was devastated to see Mr. Capobres leave the Redevelopment Agency. Ms. Palamountain stated that Mr. Capobres had always accommodated her every time she needed his help and advice and provided her with a sense of confidence in very complicated projects. Ms. Palamountain stated she completely and totally trusted Mr. Capobres' advice and that his leaving was a tremendous loss for her and the Agency Commission. Ms. Palamountain stated that Mr. Capobres' enthusiasm and energy allowed him to harness community support in his work at the Hunters Point Shipyard and that he was held in high esteem by everyone he met and worked with. Ms. Palamountain wished Mr. Capobres and his wife Lisa, the best of luck and asked him to stay in touch.

Commissioner Sexton seconded Commissioner Palamountain's motion to adopt item 4 (e) and stated that as the newest Commissioner, she wanted to thank Mr. Capobres for educating her on important projects such as the Hunters Point Shipyard. Ms. Sexton joked about Mr. Capobres' first name, Alvin, and stated that the commitment and enthusiasm in his work inspired her. Ms. Sexton wished Mr. Capobres the best of luck.

Commissioner Dunlop wished Mr. Capobres the best of luck and stated that Mr. Capobres' work on the shipyard had a huge impact on the community. Mr. Dunlop stated that he appreciated Mr. Capobres' help on the toxics issues at the shipyard. Mr. Dunlop complimented Mr. Capobres on his leadership skills and that he would be sorely missed.

Commissioner Singh stated that Mr. Capobres would be missed and thanked him for all his hard work.

President Romero offered his personal congratulations to Mr. Capobres and complimented him for his responsiveness and commitment. Mr.

Romero stated that staff's support was a testament to how much Mr. Capobres was liked. Mr. Romero wished Mr. Capobres the best of luck.

Commissioner Yee stated that four years was such a short time and it was obvious that the Executive Director valued Mr. Capobres' work and the Commission also appreciated his hard work. Mr. Yee stated it was not fair to leave the Agency after only a short time and wished Mr. Capobres good luck.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 101-2004, COMMENDING AND EXPRESSING APPRECIATION TO A. DON CAPOBRES FOR HIS SERVICES ON THE OCCASION OF HIS DEPARTURE FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4 (f) Resolution No. 102-2004, Authorizing a Cooperative Agreement with Arc Ecology, a California nonprofit public benefit corporation, to develop a conceptual master plan for Parcel E of the Hunters Point Shipyard Redevelopment Project Area; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

Speakers: Marcia Dale-Lewinter, Scott Madison, Arthur Feinstein

Commissioner Palamountain asked if the support for the cooperative agreement from BVHP/Lennar was in writing. Ms. Palamountain stated it was a good idea to formalize the existing relationship with the collaborative of existing environmental organizations through the proposed cooperative agreement.

Mr. Don Capobres, Senior Project Manager, stated that staff had an e-mail confirmation from BVHP/Lennar, but staff could obtain a formal letter stating Lennar's support for the cooperative agreement.

Commissioner Dunlop stated he agreed that the cooperative agreement was a good idea and the collaborative was a wonderful group of environmental organizations, but was concerned about the potential conflict between fundraising efforts of the group preparing a plan.

Executive Director Rosen stated that the fundraising would be from public and related environmental entities for the planning process itself and staff did not anticipate private fundraising. The Agency had a safeguard against any potential conflict of interest because the Commission had not delegated any decision-making authority whatsoever to the collaborative group. All they were authorized to do under the proposed cooperative agreement was to work closely with existing community outreach entities and the public at large to develop a proposal that would be tested through a community process. The proposed agreement did not obligate the Agency to adopt the proposed master plan.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 102-2004, AUTHORIZING A COOPERATIVE AGREEMENT WITH ARC ECOLOGY, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO DEVELOP A CONCEPTUAL MASTER PLAN FOR PARCEL E OF THE HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (g) — Workshop on proposed Mid-Market Redevelopment Plan and Special Use District; Mid-Market-Survey Area

Presenters: Lisa Zayas-Chien (Agency staff)

Speakers: Anthony Faber, Lea Shahum, Kate White, Jeremy Nelson, Peggy

DaSilva, Byron Yee, Robert McCarthy

Commissioner Palamountain requested verification that the next step in the process for Mid-Market was for the Commission to adopt a redevelopment plan and make blight findings, which meant that the current use of the properties was not maximizing their economic potential and that revitalization of the area would

not occur without redevelopment assistance. Ms. Palamountain asked what staff thought was the reason for the area not being revitalized without the use of redevelopment tools.

Ms. Lisa Zayas-Chien, Senior Planner, stated that the Mid-Market area had a stock of historic and older buildings that needed intense rehabilitation, which constituted the physical blight in most of the area. Ms. Zayas-Chien stated that within close proximity of the retail hub on Fifth, Market and Powell Streets, were boarded-up, deteriorated and graffiti-ridden buildings lacking maintenance, and most of these buildings were also historic structures that require more careful attention because of their historic significance. Ms. Zayas-Chien stated that the area was also characterized by economic and social issues including a high crime rate and a concentration of adult entertainment uses.

Commissioner Palamountain stated she understood the physical conditions of blight in the area, but was more concerned about the need for redevelopment tools and what these tools could do to alleviate the blighting conditions. Ms. Palamountain stated she agreed with the comment from the public that the Agency seemed to be working very closely with the Planning Department on the zoning and land use policies for Mid-Market, and that the staff report indicated that the Agency was delegating the land use authority to the Planning Department by creating the Special Use District overlay onto the Planning Code, which would be administered by the Planning Commission and not the Agency Commission.

Executive Director Rosen stated that staff was in the process of negotiating a delegation agreement with the Planning Department with the goal of achieving a balance between the Planning Department's implementation of the Planning Code applicable to the area because Mid-Market was an area that was embedded in the heart of downtown and not the creation of a brand new area with new land use controls. However, because of the redevelopment goals for revitalizing the area, staff was looking at which projects would be essential to the realization of redevelopment goals where redevelopment jurisdiction would be maintained. For example, where the Agency would be investing public dollars to achieve a redevelopment goal, whether it was the historic renovation for a cultural and arts use or the development of affordable housing, the intent would be to streamline the development process and to maintain Agency jurisdiction. Ms. Rosen stated that staff was crafting a delegation agreement in which ordinary development projects that do not require redevelopment tools would be administered by the Planning Department, and for development projects that were more essential to realization of redevelopment goals, the Agency would retain jurisdiction. Ms. Rosen stated that staff was developing a system for closer coordination with specific delegation of specific Planning Department staff to work with Agency staff so that the entire portfolio of development projects within Mid-Market could be overseen in a larger scale, but the actual processing of permits and plan

authorizations for the purely private-sector projects would be administered by the Planning Department. Ms. Rosen stated that staff was trying to craft a unique redevelopment plan that took into account that Mid-Market was a fairly built-up district where the Agency would encourage affordable housing development opportunities, preserve some of the historic structures, create a critical mass of arts and cultural uses, and to use the powers and tools of redevelopment in cooperation with other city agencies.

Commissioner Palamountain stated she was not opposed to working closely with sister city agencies, but if she had to make blight findings, she would want to know why redevelopment tools were necessary in a particular area, which she felt was lacking and not adequately presented. Ms. Palamountain noted that the staff report stated that the addition of the two parcels at 10th Street could yield a significant number of market-rate units and asked if the reason for adding the parcels was the tax increment benefits that would occur.

Executive Director Rosen stated that the Agency would not be permitted to annex property for the sole purpose of tax increment benefits. The northwest corner of 10th and Market Streets was already included in Mid-Market and the two parcels at 10th and Mission Streets were proposed to be added to achieve consistency in design with the proposed affordable housing development at the other corner of 10th and Market Streets and to take advantage of the potential mixed-income community by having market-rate with inclusionary as well as 100% affordable housing, but the idea was for these developments to have uniformity of design, bulk, height, and retail uses, which was important for the urban fabric of that area of Mid-Market.

Commissioner Palamountain stated she had concerns about the parking and traffic flow issues along Market Street and although she had not yet made any decisions, she would like to have more information about the following: (1) was the parking issue driven by residential or commercial concerns; (2) explore creative ways, such as taxis and other types of public transportation that did not require parking; and (3) how the Mid-Market area compared with other similar neighborhoods along major thoroughfares in other major cities.

Commissioner Singh asked how many members of the PAC were in attendance at the meeting and what the total number of PAC members were. Mr. Singh stated he had the same concerns as Commissioner Palamountain about the parking and traffic flow issues. Mr. Singh asked the Executive Director to address comments by Mr. Robert McCarthy.

Ms. Zayas-Chien stated there were five PAC members in attendance and a total of 26 PAC members altogether.

Executive Director Rosen stated that Mr. McCarthy was referring to a provision of the Planning Code regarding Floor Area Ratio (FAR) to provide more development capacity incentive that was already in the preexisting Planning Code, and which the Planning Department staff had recommended be adopted in the Mid-Market Special Use District. There had been ongoing serious discussion about whether that would be the best incentive for the district or not, and Mr. McCarthy was responding to initial Planning Department proposal. Agency staff also had concerns about the Planning Department's proposal, and staff was not ready to make a recommendation to the Agency Commission.

Ms. Lisa Zayas-Chien added that the Planning Code had a long history of legislation and some of the previously adopted legislation contained in the Planning Code had similar aims as that of the Redevelopment Agency for the Mid-Market area. The FAR proposal was one example of using what was preexisting in the Planning Code that could be applied to Mid-Market, but staff was still reviewing and refining the Planning Department's proposal.

Commissioner Sexton stated she wanted to echo Commissioner Palamountain's comments about traffic flow, in particular pedestrian safety along Market Street. Ms. Sexton stated that staff should look not only on a transit-first policy, but also a pedestrian-friendly and pedestrian-safe policies and to reduce vehicular traffic in the area. Ms. Sexton suggested to look into reducing the flow of vehicular traffic especially at intersections that cross Market Street to minimize conflict with pedestrians. Ms. Sexton stated that the goals contained in the staff report were good, but wanted staff to look into increased ride-sharing and to take advantage of the area's tremendous supply of public transit choices, and to provide more bicycle parking to encourage use of bicycles in the area. Ms. Sexton stated she was not swayed with the arguments for additional parking needs and one-to-one parking for residential development because she believed that many households did not have automobiles and relied on public transportation to get to where they were going. Ms. Sexton stated she knew many people who came to Mid-Market to go to the performance theaters used public transportation and urged staff to look into maximizing the use of public transit in the area. Ms. Sexton stated she looked forward to seeing the next phase of the process for Mid-Market.

Commissioner Dunlop thanked staff, in particular Ms. Zayas-Chien for the excellent presentation and the public who attended the workshop. Mr. Dunlop stated he concurred with the public comment on parking, traffic flow and pedestrian safety issues. Mr. Dunlop stated it was important to stress pedestrian

safety on a major street like Market Street that was highly traveled by both vehicular traffic and pedestrians. Mr. Dunlop urged staff to look carefully into these issues for the next phase of approvals for Mid-Market.

Commissioner Yee thanked staff for the good presentation and requested verification that the Mid-Market boundary was from 5th to 10th Street along Market Street and asked when the Mid-Market area was designated as a survey area. Mr. Yee stated that in the past several years that the Agency had been involved, he had not seen any improvement in the area.

Executive Director Rosen stated that as the Commission was aware, the Agency would not have authority until a redevelopment plan for the area was adopted and the time from when the area was designated a survey area was devoted to survey and planning activities in preparation for plan adoption. Ms. Rosen stated that the Agency did have the authority to expend tax increment monies for citywide affordable housing development and staff had worked with the City to fund proposed affordable housing within the Mid-Market survey area to help jump-start the revitalization efforts in anticipation of adopting a redevelopment plan. Ms. Rosen reminded the Commission that it had recently approved a term sheet with the City for development of a property owned by Citizens' Housing Corporation and Tenderloin Neighborhood Development Corporation at 10th and Market Streets to develop 400 units of affordable housing plus an office building. Staff had been working on the first phase of development for the 10th and Market Street project, and the Commission had approved the schematic design for a Mercy Housing affordable housing project along Mission Street between 9th and 10th Streets where they will develop senior and family housing. Ms. Rosen stated the Agency had begun its affordable housing investment strategy for the Mid-Market area in anticipation of further activity once the Commission and the Board of Supervisors approve a Mid-Market redevelopment plan. Ms. Rosen added that while Sixth Street was part of the South of Market Redevelopment Project Area, it was also adjacent to Mid-Market, and after years of efforts on Sixth Street, marked improvement could now be seen due in part to the redevelopment efforts in the work of affordable housing development and work with small businesses to improve commercial properties. Likewise, the Westfield development of the former Emporium site adjacent to the Mid-Market survey area and the expected completion of the Yerba Buena Center Redevelopment Project Area would spur further revitalization activities into Mid-Market, so while the Agency did not have direct authority in the survey area until a redevelopment plan was adopted, the Agency had used what appropriate powers and tools it had in the adjacent project areas and its affordable housing investment strategy to promote the proposed goals of redevelopment.

Commissioner Yee stated that it had been nine years since Mid-Market was declared as a survey area and asked if it was not now time to adopt a

redevelopment plan and make it a project area. Mr. Yee asked when staff anticipated plan adoption for Mid-Market.

Executive Director Rosen stated that in order to adopt a redevelopment plan for an area such as Mid-Market given its importance in San Francisco's history, it required a very sensitive and thoughtful and community-based planning effort with all of the stakeholders to ensure that it had all the necessary community and political support for plan adoption. As the Commission had heard from the public comment, Agency staff was commended and had garnered support from private property owners, low-income SRO residents and community organizations for grappling with the difficult issues and trying to reach consensus with the PAC leadership. Ms. Rosen stated staff was hopeful that it could bring the planning process to a closure and have a plan that would get the support of the Agency Commission and the Board of Supervisors. Ms. Rosen stated that as Ms. Zayas-Chien presented, staff was diligently working with the Planning Department to resolve several issues. In addition, other prerequisites to plan adoption are completely out of the Agency's control, including adoption and certification of a Housing Element, which the Planning Department, Board of Supervisors and the State Housing and Community Development must complete prior to any redevelopment plan adoption. Ms. Rosen stated that with all of the provisos, Agency staff was aiming for plan adoption at the end of 2004, and staff was diligently working to complete the Agency's part to bring the planning process to culmination.

Commissioner Yee requested verification that the property on 10th and Market Streets was within the Mid-Market survey area. Mr. Yee asked when the anticipated groundbreaking was for the proposed project.

Executive Director Rosen stated the property on 10th and Market Streets was within the Mid-Market survey area and groundbreaking had not yet been scheduled as the project was in the process of applying for HUD Section 202 financing of the senior housing for the first phase of the project in July 2005. Groundbreaking would be scheduled following approval of the requested financing and the Commission would be informed of that date.

Commissioner Yee recalled Mr. Robert McCarthy's comments about the importance of residential one-for-one parking when lenders were looking to finance residential development, and stated that this was an important issue for the Agency to figure out a way to convince lenders that lesser parking requirements were the trend.

Executive Director Rosen stated she agreed with Commissioner Yee that the parking requirement issue was important and Agency staff had worked very well with lenders for affordable housing and frequently had affordable housing developments approved with less than one-for-one parking. In addition, Fannie Mae, the largest secondary market, had developed a new product called a location-efficient mortgage, which was being made available to purchasers. This was not construction financing, but was take-out financing for for-sale product, and Fannie Mae was trying to change industry standards to give interest-rate reduction preference to homebuyers who live within a certain distance of public transit to encourage smart growth and transit-oriented development. Ms. Rosen stated staff would follow Commissioner Yee's recommendation to work closely with the financial community, especially in transit-rich areas like the Transbay and Mid-Market areas where high-density residential development was proposed, without the traditional one-for-one parking.

Commissioner Yee asked when staff anticipated finalizing the delegation agreement between the Agency and the Planning Department.

Executive Director Rosen stated staff's goal was to have the delegation agreement finalized before the Commission considers plan adoption. Ms. Rosen stated staff was diligently working with the Planning Department to make clear at the outset, the roles and responsibilities for each of the respective agencies, and staff would have the proposed delegation agreement for the Commission's consideration.

President Romero stated that staff gave an excellent workshop that was thought provoking and very educational. Mr. Romero stated he noted the competing interests among pedestrians, bicycle-riders and people who wanted more parking and shared that as a person who was almost run over by cars and bicycles as well, he urged staff to achieve a balance between all of the competing interests, while ensuring pedestrian safety. Mr. Romero thanked members of the PAC for their continued commitment and hard work on Mid-Market.

Ms. Zayas-Chien stated there were a lot of other goals and objectives in Mid-Market beyond those highlighted in the workshop that had the support of not only the PAC but also stakeholders in the area, including those who lived nearby in South of Market, the Tenderloin and residents of Mid-Market. Ms. Zayas-Chien stated that Mid-Market represented a varied group of constituents that have worked really hard to bring the planning process to where it was. Ms. Zayas-Chien stated that Commissioners had previously indicated an interest to tour Mid-Market but had not, and offered to take interested Commissioners on a tour where the potential of Mid-Market could be seen from the ground and close-up.

Commissioner Yee inquired about the Agency's efforts on the Sixth Street corridor and shared that he frequented the area and stated his sense was that the quality of life in the area had not really improved because of the unclean streets and perhaps drug-dealing. Mr. Yee stated the South of Market PAC had done a good job of working with the police in the area, but the area had not shown much improvement. Mr. Yee asked if there was anything more the Agency could do to assist the PAC to deal with the quality of life issues, including giving them additional funds. Mr. Yee shared that the Chinatown Night Market, which he had chaired the last five years, had been successful because of the City's financial assistance including additional police services to ensure safety during the events, and asked if the Agency could not assist the South of Market with similar funding assistance.

Executive Director Rosen stated staff would report back to the Commission, but there were prohibitions in the State law about using redevelopment funds for the operating expenses of other City departments, so the Agency could not fund the Police Department directly with tax increment funds. Ms. Rosen stated the South of Market PAC had a Crime and Safety Committee that staff had been working to address the Commission's concerns and staff would provide information at the workshop for South of Market.

4 (h) Workshop on proposed amendment to the Western Addition A-2 Redevelopment Plan; Western Addition Redevelopment Project Area A-2

Presenters: Mike Grisso (Agency staff)

Speakers: Mary Rogers

Commissioner King stated he was puzzled with the proposed plan amendment because he thought that the Parcel 732-A development was ready to break ground and now, it sounded like the project would be delayed by the proposed plan amendment. Mr. King stated that Mrs. Mary Rogers was correct that the Fillmore Apartments were going to be sold and the availability of the parking was uncertain.

Executive Director Rosen stated the proposed plan amendment was not a delay and reminded that the DDA the Commission approved, which

included the term sheet for the development of Parcel 732-A, contemplated the proposed plan amendment. Ms. Rosen stated that the plan amendment was requested and required for Parcel 732-A, and staff had scheduled for the next Commission meeting in September, the next steps in the development process for Parcel 732-A, the consideration of loans for Yoshi's and Food for Soul restaurant. The parking numbers included in the plan amendment were consistent with the parking studies conducted by the developer, which the developer had stated it supported. Ms. Rosen stated with regard to the question about Fillmore Center parking, staff was in negotiations for an eleventh amendment to the DDA with the Fillmore Center, which would dedicate the appropriate number of parking spaces to the commercial uses on the street. Furthermore, as was indicated in the memorandum and previously reported to the Commission regarding the development of the MUNI substation site, parking cannot be provided on the site because of its historic landmark status, however, the developer of the adjacent parcel, which would develop about 32 housing units, would be required to provide an additional 30 parking spaces in addition to the 32 residential parking spaces, dedicated solely for the commercial uses on the MUNI substation site. Ms. Rosen stated staff was not holding up Parcel 732-A and to the contrary, was taking the necessary steps to facilitate the development of Parcel 732-A consistent with the plans approved by the Commission.

Commissioner King stated he did not agree with the Executive Director and believed that the proposed plan amendment would delay the development of Parcel 732-A.

Executive Director Rosen reiterated that the plan amendment would in no way impede the development of Parcel 732-A.

Commissioner Yee stated he supported Commissioner King's sentiments and agreed with Mrs. Mary Rogers that the parking issues need further study.

Commissioner Sexton suggested that staff provide the previous staff report on the Parcel 732-A DDA, which spelled-out the terms for its development including the proposed plan amendment. Ms. Sexton stated the Commission was not being asked to do anything it had not already approved and the plan amendment would not delay the development of Parcel 732-A.

President Romero stated he thought the workshop was a prelude to the plan amendment that the Commission agreed to do when it approved the DDA for Parcel 732-A, and so if Commissioners voted for Parcel 732-A, the consistent vote would be to also approve the plan amendment.

Executive Director Rosen stated that President Romero was correct and pointed out that Parcel 732-A as approved, would exceed the land use controls currently in the Western Addition A-2 redevelopment plan and would require a plan amendment to accommodate the project.

President Romero asked if the Commission did not approve the plan amendment, would that jeopardize the development of Parcel 732-A, and would the Agency be vulnerable if it did not approve the plan amendment.

Executive Director Rosen stated that the plan amendment was the contemplated action because the scope of development for Parcel 732-A that was approved was in excess of the variance authority of the Commission and in order to make Parcel 732-A economically viable, the staff and Commission supported and approved a development that was in excess of what would be permitted under the existing redevelopment plan because of the combined residential and commercial uses. Ms. Rosen stated she believed that the Parcel 732-A developer whose lenders and investors have looked at the DDA with the contemplated approved land use entitlement at a greater development envelop, would have some concerns.

Commissioner Yee requested verification that the Commission had the authority to approve the plan amendment.

Executive Director Rosen stated that the Commission's approval was necessary, but not sufficient, because it also required the approval by the Board of Supervisors.

5. MATTERS NOT APPEARING ON THE AGENDA None.**6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS** None.**7. REPORT OF THE PRESIDENT**

- President Romero stated he noted that the first Tuesday in November was November 2nd, which was national Election Day, and recommended that the November 2nd meeting be cancelled. Mr. Romero further recommended that the Commission meet the following Tuesday, November 9th and on the following week, the third Tuesday, November 16th.
- President Romero informed that Commissioner Singh's brother recently passed away and Commissioner Singh had asked that the Commission meeting be adjourned in the memory of his brother, Mr. Gurmeet Singh Luthra. Mr. Romero stated the Commission would adjourn the August 17, 2004 meeting in honor and memory of Commissioner Singh's brother.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Safeway supermarket area clean-up – as the Commission requested, staff and the Western Addition CAC had been very active on that front and representatives of Safeway came at the August 12th CAC meeting and heard directly from the community concerning the recycling center, maintenance of the parking lot and cleanliness. The following day, Mrs. Mary Rogers and Agency staff met with Safeway's new management, whose initiative to hear directly from the community, staff hoped would result in resolving the outstanding issues. Ms. Rosen stated the Commission did authorize a letter agreement that would lead to an amendment of the legal document, called ECR, the Easements, Covenants and Restrictions for those properties and staff would be incorporating some of the clean-up and maintenance issues surrounding the Safeway

parking lot and adjacent merchant areas into a proposed amendment of the ECRs, which would be brought to the Commission for its consideration in the near future. Ms. Rosen stated staff would provide periodic progress reports on the Agency's efforts to improve the environment in that area.

- Public Initiatives Development Corporation (PIDC) Board meeting on Tuesday, August 24, 2004 at 5:00 p.m., Agency offices, 770 Golden Gate Avenue.
- Plaza Apartments was presented as a case study at a San Francisco Planning and Urban Research (SPUR) luncheon where Agency staff and project architects presented the Plaza Apartments as a model for sustainable green development in affordable housing.
- Mayor Newsom's District 5 Town Hall meeting on Saturday, August 28th, from 11:00 a.m. to 1:00 p.m. at the West Bay Conference Center.
- Proposed Joint Public Meeting of the Planning and Agency Commissions on Thursday, September 30th at 5:00 p.m. to receive public comment on the Supplement to the EIR for the South of Market Earthquake Recovery Redevelopment Project Area and the Draft EIR for the proposed Bayview Hunters Point Redevelopment Plan Amendment. Ms. Rosen suggested that the Commission hold the date and the Commission Secretary would be in contact with the Commissioners to confirm the scheduled joint public meeting.
- Westfield/Bloomingdale's project – staff recently learned that the developer had demolished a portion of the building, which appeared to be in violation of a historic preservation provision of its DDA with the Agency. Ms. Rosen stated as part of the OP/DDA with Forest City, the Commission approved a Delegation Agreement with the Planning Department, whereby the Planning Department would do the design, construction documentation, and plan reviews. The Agency did not sign-off on the addendum to the building permit, and staff was investigating the facts to see what happened. The Landmarks Preservation Board had notified staff that it would be holding a hearing on the matter on September 1st, so staff was preparing a report for the Commission's information and for the hearing. Ms. Rosen stated the Commission would be kept informed of the issue and what possible actions the Commission could take in light of the facts that staff discovered.

- Informational memorandum regarding development of the housing portion of the MUNI substation site. Agency staff issued a RFP approved by the Commission with significant outreach and distribution of the RFP, and at the closing date, staff had received three responses, none of which was complete. In addition, Mrs. Essie Collins and other members of the community noted to staff that despite the widespread outreach and notification, several members of the Western Addition community did not receive the RFP, so based on that, staff was proposing to reissue the RFP and make sure that there was full opportunity for everyone interested. Ms. Rosen informed the public that if there was anyone interested in the housing development, to contact Mr. Olson Lee, Deputy Executive Director of Housing to ensure that their names were on the Agency's mailing list for distribution of all housing development proposals.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators regarding terms of a lease with the Mexican Museum regarding the site located on the east side of Jessie Square on Central Block One in the Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Amy Neches, Tracie Reynolds, and Judy Eng.

11. ADJOURNMENT

It was moved by Mr. Dunlop, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:12 p.m. The August 17, 2004 Commission meeting was adjourned in the memory of Mr. Gurmeet Singh Luthra.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

September 07, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
7TH DAY OF SEPTEMBER 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of September 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of August 17, 2004

4 (b) Resolution No. 103-2004, Authorizing a Second Amendment to an Amended and Restated Tax Increment Affordable Housing Program Loan Agreement with Plaza Apartments Associates, a California limited partnership, to change the deferred rate of interest from 3% to 2%, on the loan of \$11,200,518, for the predevelopment and construction of 106 very low-income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

4 (c) Resolution No. 104-2004, Authorizing a Fourth Amendment to the Disposition and Development Agreement with San Francisco Care Center, L.P., a California limited partnership, to revise the performance schedule for the project located on Agency Parcel 714-A (2), Lot 28 of Assessor's Block 714; Western Addition Redevelopment Project Area A-2

Item 4 (b) was withdrawn from the Consent Agenda.

The Commission voted on the remaining items 4(a), and 4 (c) on the Consent Agenda

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF AUGUST 17, 2004, AND 4 (c) RESOLUTION NO. 104-2004, AUTHORIZING A FOURTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH SAN FRANCISCO CARE CENTER, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REVISE THE PERFORMANCE SCHEDULE FOR THE PROJECT LOCATED ON AGENCY PARCEL 714-A(2), LOT 28 OF ASSESSOR'S BLOCK 714; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

The Commission considered items 4 (b) as a separate item.

4 (b) Resolution No. 103-2004, Authorizing a Second Amendment to an Amended and Restated Tax Increment Affordable Housing Program Loan Agreement with Plaza Apartments Associates, a California limited partnership, to change the deferred rate of interest from 3% to 2%, on the loan of \$11,200,518, for the predevelopment and construction of 106 very low-income rental units, ground floor commercial space and the replacement of Bindlestiff Studio, 988-992 Howard Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Vanessa Dandridge (Agency staff)

Commissioner Singh stated that the item should not have been placed on the consent agenda because of the loan amount.

President Romero requested verification that the Commission had previously approved the loan and all that was being done was to change the interest rate.

Executive Director Rosen affirmed that the Commission had previously approved the loan and the reduction in the interest rate was required to reduce the tax losses generated by the project.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 103-2004, AUTHORIZING A SECOND AMENDMENT TO AN AMENDED AND RESTATED TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH PLAZA APARTMENTS ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP, TO CHANGE THE DEFERRED RATE OF INTEREST FROM 3% TO 2%, ON THE LOAN OF \$11,200,518, FOR THE PREDEVELOPMENT AND CONSTRUCTION OF 106 VERY LOW-INCOME RENTAL UNITS, GROUND FLOOR COMMERCIAL SPACE AND THE REPLACEMENT OF BINDLESTIFF STUDIO, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

4 (d) Resolution No. 105-2004, Authorizing a Second Amendment to the property management and leasing agreement with John Stewart Company, a California corporation, in an amount not to exceed \$60,000 for the close out of operations at the Plaza Hotel, located at 988-992 Howard Street, for a total aggregate amount not to exceed \$960,000; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED

BY MS. SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 105-2004, AUTHORIZING A SECOND AMENDMENT TO THE PROPERTY MANAGEMENT AND LEASING AGREEMENT WITH JOHN STEWART COMPANY, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$60,000 FOR THE CLOSE OUT OF OPERATIONS AT THE PLAZA HOTEL, LOCATED AT 988-992 HOWARD STREET, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$960,000; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (e) Resolution No. 106-2004, Approving amendments to the redevelopment plans for Embarcadero-Lower Market (Golden Gateway), India Basin Industrial Park and Hunters Point to implement Senate Bill 2113 and authorizing transmittal to the Board of Supervisors of the City and County of San Francisco

Presenters: Jose Campos (Agency staff)

Speakers: Rev. Arnold Townsend

Commissioner Palamountain stated that her understanding of SB 2113 was these were tax monies that would otherwise be collected if the areas were not redevelopment project areas and would go to the State. Ms. Palamountain asked what other taxing entities would receive the taxes.

Mr. Jose Campos, Planning Supervisor, stated that in addition to the State, there were other taxing entities that receive the taxes, including the City and County of San Francisco, Unified School District, Community College District, BART, and the Bay Area Air Quality Management District. These taxing agencies would receive a percentage of the gross tax increment generated in the project areas with the remainder going to the project areas.

Executive Director Rosen added that the primary taxing entity was the County and if the taxes were not claimed as tax increment, they were considered property taxes, which were divided among the taxing entities that levy taxes in the city and county.

Commissioner Palamountain stated she understood Rev. Arnold Townsend's point and agreed that communities needed various social service programs, but the larger public policy issue on the enactment of SB 2113 appropriately rested with the Board of Supervisors. Ms. Palamountain put forth a motion to adopt item 4 (e).

Commissioner Sexton seconded Commissioner Palamountain's motion to adopt item 4 (e).

Commissioner King stated he agreed with Rev. Arnold Townsend and recalled that the Agency Commission set aside tax increment monies for youth programs in Yerba Buena Center such as the bowling alley, skating rink and the merry-go-round. Mr. King stated the Agency was able to get the support of the Board of Supervisors to use tax increment for such programs and the Agency could do the same for the Hunters Point and Western Addition communities.

President Romero stated he would support the item for the same reasons articulated by Commissioner Palamountain and recalled there was an opportunity in the Western Addition two or three months ago for a proposed gymnasium which was opposed by many community members from Western Addition in favor of affordable housing. Mr. Romero stated he agreed that communities needed programs and facilities for the youth such as described by Rev. Arnold Townsend, but it was unfortunate that the proposed gymnasium was opposed.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, THAT ITEM 4 (e) RESOLUTION NO. 106-2004, APPROVING AMENDMENTS TO THE REDEVELOPMENT PLANS FOR EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY), INDIA BASIN INDUSTRIAL PARK AND HUNTERS POINT TO IMPLEMENT SENATE BILL 2113 AND AUTHORIZING TRANSMITTAL TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Palamountain

Ms. Sexton

Mr. Singh

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT RESOLUTION NO. 106-2004 WAS ADOPTED.

4 (f) Resolution No. 107-2004, Approving an amendment to the Yerba Buena Center Redevelopment Plan to implement California Senate Bill No. 1045 (2003-04 Reg. Sess.) and to extend by one year the time limit on the effectiveness of the plan and the time limit to receive property taxes and repay indebtedness

Presenters: Jose Campos (Agency staff)

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 107-2004, APPROVING AN AMENDMENT TO THE YERBA BUENA CENTER REDEVELOPMENT PLAN TO IMPLEMENT CALIFORNIA SENATE BILL NO. 1045 (2003-04 REG. SESS.) AND TO EXTEND BY ONE YEAR THE TIME LIMIT ON THE EFFECTIVENESS OF THE PLAN AND THE TIME LIMIT TO RECEIVE PROPERTY TAXES AND REPAY INDEBTEDNESS, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

- South Beach Park Block Party at Pier 40 on Sunday, September 12th from 1:00 to 4:00 p.m.
- Mayor Newsom's District 5 Town Hall meeting held on Saturday, August 28th at the West Bay Conference Center. Commissioners King, Singh and Sexton as well as Agency staff was in attendance at the successful event.
- Hunters Point Shipyard CAC meeting held on Saturday morning, August

28th to hear a presentation on the Open Space Plan for the Shipyard.

- Proposed joint public meeting with Planning Commission scheduled for September 30th to receive public comment on the South of Market Supplement to the Final EIR, would not occur because of a lack of a quorum of the Planning Commission. Agency staff would continue to work with the Planning Commission to schedule another date for a joint meeting, but the 45-day public review period for the Supplement to the Final EIR was October 12th and if a date for the joint meeting could not be scheduled, staff would schedule the matter at one of the future Agency Commission meetings and hold a separate hearing.
- Introduced Mr. Mario Oliveros, this year's successful candidate from the National Urban Fellows Program. Mr. Oliveros would bring to the Agency a very interesting background and experience in his previous work on economic development in international communities and as a research analyst for Fitch, bringing experience in municipal finance. Mr. Oliveros has a Bachelor's degree in Economics from the University of Chicago and a Masters in Cultural Anthropology.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

- Commissioner Yee stated he read a newspaper article about the Emporium project where the developer had demolished portions of the building that was supposed to be retained, and asked for an update on the situation.

Executive Director Rosen stated the Commission was provided with an informational memorandum regarding the issue and the Landmarks Preservation Advisory Board held a hearing on September 1st and has scheduled another hearing on September 21st. In addition, Supervisor Peskin had requested a report and possibly scheduling a meeting at the Board of Supervisors. Ms. Rosen stated that staff had been meeting with the developer to explore proposals to remedy the situation.

- Commissioner Yee stated he understood that the developer had submitted a second revised demolition plan for the project and asked if the Agency was notified of the revised demolition plan. Mr. Yee requested verification that the developer had actually submitted two plans, the original and now, the revised plan. Mr. Yee asked if the project was on schedule.

Executive Director Rosen stated the developer did obtain a demolition permit that was signed-off by the Planning Department and the Agency did not sign-off and did not get notice of the permit. Ms. Rosen stated the developer had an approved schematic design, which did not show any demolition and in September 2003, obtained a demolition permit, signed by the Planning Department, which the Agency was not a party to, and is not consistent with the redevelopment plan or with the Owner Participation Agreement (OPA) with the Agency. Ms. Rosen stated she did not believe there was a problem with the performance schedule. As Commissioner Yee pointed out, a portion of the building was demolished, which, pursuant to the redevelopment plan and the OPA approved by the Agency Commission, was supposed to have been restored and preserved – i.e., the top three floors of what was the former office building on the Market Street side of the former Emporium building. That portion of the building no longer exists and only the façade of the building (along Market Street) has been retained. There was an area 65 feet deep starting at the Market Street façade and going south from there, to a south wall, which was taller than the remainder of the building. Ms. Rosen assured that staff would keep the Commission up to date and stated that staff was preparing a report for the Board of Supervisors, which would be submitted to the Commission. Ms. Rosen added that Ms. Amy Neches, Senior Project Manager had been representing the Agency at the public meetings.

- Commissioner Yee stated he understood that Supervisor Peskin was planning to call for a Board of Supervisors meeting on the matter, and following that, something would have to worked out between the developer and the Agency, and asked what the Executive Director thought would be the worst-case scenario for the project.

Executive Director Rosen stated the development was an important project for the revitalization of Market Street, the creation of jobs and opportunities, and the restoration of the historic elements, which had been preserved, including the dome, the Market Street façade, and some of the historic features that were in the office building had been taken off-site and preserved to be put back in the building. Ms. Rosen stated she thought the question was finding an equitable remedy to the situation that would allow the project to proceed and create the benefits it was intended to create.

- Commissioner Yee opined that the current situation would cause a delay in the opening of the project, and asked if work was continuing on the construction. Mr. Yee asked what the Executive Director thought the appropriate remedy was for the Agency.

Executive Director Rosen stated there was no scheduled delay at this time, and pointed out that any amendment to the developer's OPA or analysis of a so-called worst-case scenario, would be presented for the Commission's consideration in a closed session meeting, prior to making any agreement authorizing amendment to the OPA. Ms. Rosen stated that construction was proceeding and no permits had been lifted and the harm that happened from the demolition had already occurred. Most of the development was new construction and as far as staff knew at the present time, all other historic preservation elements of the development plan were being complied with and the project was proceeding. Ms. Rosen stated she could not speculate on an appropriate remedy for the Agency, but when staff had proposals, staff would present them to the Commission in a closed session meeting.

- President Romero complimented General Counsel James Morales and Ms. Amy Neches for the letter they sent to the developer's lawyers on August 30th, which was included in the Commissioners' packets. Mr. Romero stated the letter very clearly laid out what the developer's obligations were, what the serious breach was and he looked forward to hearing more on further developments.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 790, and International Federation of Professional and Technical Engineers (IFPTE) Local 21. Agency negotiators: Marcia Rosen, Ayisha Benham, and James B. Morales.

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency parcels 707-A, 726-A, 731-A, 749-C, 750-A, and a portion of Ellis Street, in the Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is Fillmore Properties LLC, a Delaware limited liability company. Agency negotiators: Marcia Rosen, Joanne Sakai,

Tracie Reynolds, and Denise Blades.

(c) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Ms. Sexton, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:34 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

September 21, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE

21ST DAY OF SEPTEMBER 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 21st day of September 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Darshan Singh

Benny Y. Yee

And the following were absent:

Michelle W. Sexton

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of September 7, 2004

4 (b) Resolution No. 108-2004, Authorizing a Third Amendment to an Exclusive Negotiations Agreement with San Francisco Housing

Development Corporation, a California nonprofit public benefit corporation, to extend the expiration from September 30, 2004 to November 30, 2004, leading to a long term ground lease of 4800 Third Street, within the Bayview Hunters Point Redevelopment Survey Area, for the development of very low income rental housing and ground floor commercial space; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF SEPTEMBER 7, 2004, AND 4 (b) RESOLUTION NO. 108-2004, AUTHORIZING A THIRD AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE EXPIRATION FROM SEPTEMBER 30, 2004 TO NOVEMBER 30, 2004, LEADING TO A LONG TERM GROUND LEASE OF 4800 THIRD STREET, WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, FOR THE DEVELOPMENT OF VERY LOW INCOME RENTAL HOUSING AND GROUND FLOOR COMMERCIAL SPACE; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

Items 4 (c), (d), (e) and (f) were presented together and acted upon separately.

4 (c) Resolution No. 109-2004, Authorizing an amendment to the Memorandum of Agreement with the Service Employees International Union (SEIU) Local 790 for the period of July 1, 2003 through June 30, 2006

4 (d) Resolution No. 110-2004, Authorizing execution of a Memorandum of Agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 Architects and Engineers for the period of October 1, 2004 through June 30, 2006

4 (e) Resolution No. 111-2004, Authorizing execution of a Memorandum of Agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 Professional/Technical Unit for the period of

October 1, 2004 through June 30, 2006

4 (f) Resolution No. 112-2004, Authorizing execution of a Memorandum of Agreement with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 Management and Supervisors Unit for the period of October 1, 2004 through June 30, 2006

Presenters: Ora Meacham (Agency staff)

Speakers: Lily Louie, James Bryant

Commissioner Singh asked how much money the two percent in salary increases represented and if the Agency's insurance plan was comparable to other City departments.

Ms. Ora Meacham, Human Resources Manager, stated that the amount had not yet been determined because that would be based upon the salaries after the pay equity increases that would take effect on July 1, 2004. Ms. Meacham added that the amount would not be calculated until the pay equity increases were awarded. Ms. Meacham stated the Agency's insurance policy was actually a better plan, which would be able to provide one and one-half times the employee's salary and the Agency shared the premium cost at 50-50 with the employees.

President Romero thanked everyone from both sides of the negotiations for their patience and good character in dealing with the very difficult labor negotiations. Mr. Romero stated that the efforts were greatly appreciated by the Commission.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 109-2004, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 790 FOR THE PERIOD OF JULY 1, 2003 THROUGH JUNE 30, 2006, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 110-2004, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 ARCHITECTS AND ENGINEERS FOR THE PERIOD OF OCTOBER 1, 2004 THROUGH JUNE 30, 2006, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 111-2004, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 PROFESSIONAL/TECHNICAL UNIT FOR THE PERIOD OF OCTOBER 1, 2004 THROUGH JUNE 30, 2006, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MS. SEXTON ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 112-2004, AUTHORIZING EXECUTION OF A MEMORANDUM OF AGREEMENT WITH THE INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE) LOCAL 21 MANAGEMENT AND SUPERVISORS UNIT FOR THE PERIOD OF OCTOBER 1, 2004 THROUGH JUNE 30, 2006, BE ADOPTED.

4 (g) Resolution No. 113-2004, Conditionally approving the schematic design for an affordable senior housing development on Central Freeway Parcel A, Assessor's Block 761, Lot 27, southeast corner of Turk and Gough Streets, which includes modifications to the density, height, and parking requirements, pursuant to an Exclusive Negotiations Agreement with A.F. Evans Company, a California corporation, and Chinatown Community Development Center, a nonprofit public benefit corporation; and making findings under the California Environmental Quality Act; Western Addition Redevelopment Project Area A-2

Presenters: Kate Hartley, Elena Branick (Agency staff), Sylvia Kwan

(Kwan Henmi Architects)

Speakers: Mary Rogers

Commissioner Palamountain stated that in response to Mrs. Mary Rogers' questions about approval of the proposed Western Addition A-2 Plan Amendment by the Board of Supervisors, the action before the Commission would allow the project to proceed in anticipation of the Board of Supervisors' approval of the plan amendment and if not, the project would not be developed as currently presented. Ms. Palamountain requested verification.

Executive Director Rosen affirmed that was correct.

Commissioner Palamountain put forth a motion to adopt item 4 (g).

Commissioner Singh asked what the monthly rents would be for the housing units.

Executive Director Rosen stated the housing units were designated for low-income seniors and the seniors would pay approximately 30% of their income depending on available rent subsidies.

Ms. Kate Hartley, Development Specialist, stated that the financing for the project had not yet been established, but staff was hopeful that Section 8 tenants would occupy a portion of the units who would pay 30% of their incomes for rent, no matter what their incomes were. The balance of the units would be set according to the rent levels specified by the Tax Credit Allocation Committee and/or the California Debt Limit Allocation Committee, which for the proposed development, would be rents affordable to households earning 45 to 50% of Area Median Income (AMI).

Executive Director Rosen pointed out that the Commission was not approving the financing for the project and staff was presently working with the Mayor's Office, Department of Human Services and Department of Public Health about what subsidies might be available so

that the very lowest income seniors, even some homeless seniors, may have access to the units. When staff comes back to the Commission with the financial plan for the project, the information on incomes and rent levels would be provided.

Commissioner Singh asked what the occupancy limitations were for studio and one-bedroom units, and if the income and rent levels were the same.

Ms. Hartley stated she understood that one or two people could occupy a studio and one-bedroom unit. Ms. Hartley stated the income limits depended upon the number of people in a household, for example, a household of one person at 50% of AMI is approximately \$33,000 per year, and for a two-person household, \$38,000 per year.

Commissioner Dunlop stated it was a wonderful project and seconded Commissioner Palamountain's motion to adopt item 4 (g).

Commissioner King stated he was a little confused with the Board of Supervisors having to approve the financing of the project and did not understand why the project was being presented to the Commission at this time.

Executive Director Rosen stated staff had been discussing with the Commission since the Agency acquired the Central Freeway parcels the necessity for a plan amendment for the Western Addition A-2 Project Area to accomplish the program that the Board of Supervisors and the Commission decided was appropriate for the two parcels. The first two parcels under development from the Octavia Boulevard parcels, one of them on Golden Gate Avenue and Franklin Street and the other one on Turk and Gough Streets, were depending on Western Addition A-2 Plan Amendments because of the split height limits, with the former freeway height limits on part of the parcels and the redevelopment plan height limits on the other. The Board of Supervisors was aware of this, and the Commission did approve the environmental review for the plan amendment. The Agency Commission would approve the financing for the project and not the Board of Supervisors. Ms. Rosen stated this was an orderly way to keep the planning for the sites progressing to make sure that they were developed as quickly as possible to provide

the housing to seniors and to proceed with the development process including applications for financing the project, and staff was hopeful that the plan amendment process would continue and be approved prior to breaking ground for the projects.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 113-2004, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR AN AFFORDABLE SENIOR HOUSING DEVELOPMENT ON CENTRAL FREEWAY PARCEL A, ASSESSOR'S BLOCK 761, LOT 27, SOUTHEAST CORNER OF TURK AND GOUGH STREETS, WHICH INCLUDES MODIFICATIONS TO THE DENSITY, HEIGHT, AND PARKING REQUIREMENTS, PURSUANT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH A.F. EVANS COMPANY, A CALIFORNIA CORPORATION, AND CHINATOWN COMMUNITY DEVELOPMENT CENTER, A NONPROFIT PUBLIC BENEFIT CORPORATION; AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (h) Resolution No. 114-2004, Authorizing amendments to the regulatory agreements and loan agreements, supplements to the indentures of trust and preparation of a third supplement to the official statement dated December 31, 1985, pertaining to the extension of the term of the variable rate demand Multifamily Housing Revenue Bonds (Bayside Village Project) 1985 Issue D, Series A and B, to and through December 1, 2016, preparation of and authorizing other related documents and actions in connection therewith; Rincon Point-South Beach Redevelopment Project Area

Presenters: Olson Lee (Agency staff)

Commissioner Singh stated he wanted more information on the bonds and the interest rates on the bonds. Mr. Singh asked if there was an underwriter for the bonds, and if Standard and Poor and Moody had a rating for the Agency.

Mr. Olson Lee, Deputy Executive Director for Housing, stated there were two series on the issuance, \$50 and \$30 million for a total of \$80 million. The bonds are variable rate bonds and the interest rate index was at approximately 1.3

percentage points, and with additional fees and expenses, the final rate to the borrower would be between 2.0 and 2.5%. Mr. Lee stated there was an underwriter for the bonds, Red Capital Investments. Mr. Lee stated he understood that the Agency's rating was "A," which was the highest possible rating for redevelopment agencies.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MS. SEXTON ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 114-2004, AUTHORIZING AMENDMENTS TO THE REGULATORY AGREEMENTS AND LOAN AGREEMENTS, SUPPLEMENTS TO THE INDENTURES OF TRUST AND PREPARATION OF A THIRD SUPPLEMENT TO THE OFFICIAL STATEMENT DATED DECEMBER 31, 1985, PERTAINING TO THE EXTENSION OF THE TERM OF THE VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE BONDS (BAYSIDE VILLAGE PROJECT) 1985 ISSUE D, SERIES A AND B, TO AND THROUGH DECEMBER 1, 2016, PREPARATION OF AND AUTHORIZING OTHER RELATED DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Heinz Kanein, Frederic Tate, Mary Rogers, Megan Dunn, James Bryant

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Rosen stated she would speak with staff and provide a report back to the Commission about the lighting issue along Fillmore Street that Mrs. Mary Rogers inquired about, as well testimony from Mr. Heinz Kanein regarding loan repayment for his unit at Candlestick View.

- Westfield/Bloomingdale's project – General Counsel James Morales represented the Agency at a Landmarks Preservation Advisory Board meeting earlier in the day and the meeting was continued to October 6th. Ms. Rosen stated staff was working closely with the Mayor's Office to resolve the situation and would continue to keep the Commission informed.
- Public Initiatives Development Corporation (PIDC) regular board meeting scheduled for September 28th had been cancelled.
- The Commission had decided to cancel the November 2nd Commission meeting due to the National Election and would hold a Special Commission meeting the following week on November 9th as well as the regular Commission meeting on November 16th.
- Agency staff was working with the Mayor's Office and may request to schedule an additional meeting in November regarding the Shipyard transactions and Ms. Rosen would work with the President and Vice-President in scheduling that meeting.
- Working Group meeting scheduled for Wednesday, September 22nd, 10:00 a.m. at the Agency offices.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee recalled earlier testimony from a Candlestick View homeowner who stated that Mr. Olson Lee did not return his call for two months and asked staff to provide a report to the Commission on what exactly transpired.

Executive Director Rosen stated she would like the opportunity to look into the facts and prepare a report to the Commission.

- Commissioner Palamountain thanked staff for preparing the report on the status of the Mary Elizabeth Inn project.
- Commissioner Singh stated he noticed that there was a scheduled Special Commission meeting on November 9th and asked if that was the only meeting scheduled in November.

Executive Director Rosen stated the regular meetings of the Commission were scheduled for the first and third Tuesdays of the month, and there would be a regular meeting on November 16th, but because the Commission had cancelled the regular meeting on the first Tuesday of November, which was Election Day (November 2nd), the Commission decided to hold a special meeting on November 9th, so the Commission would meet two weeks in a row, on the second and third Tuesday in November. Ms. Rosen stated staff would consult further on the possibility of a third meeting at the end of November for a matter regarding the Hunters Point Shipyard.

- Commissioner Yee requested verification that there were two meetings scheduled in November, on November 9th and November 16th.

Executive Director Rosen affirmed that there were two Commission meetings scheduled on November 9th and November 16th. Ms. Rosen stated that according to the Mayor's Office, there may be a need to have a special Commission meeting related to Shipyard transactions, later in November, possible on November 30th. Ms. Rosen stated the Commission Secretary would make sure that there was a date where a quorum of the Commission was able to attend.

10. CLOSED SESSION: None.

11. ADJOURNMENT

It was moved by Mr. King, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:11 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

October 05, 2004

MINUTES OF A REGULAR MEETING OF THE

REDEVELOPMENT AGENCY OF THE CITY AND

COUNTY OF SAN FRANCISCO, HELD ON THE

5TH DAY OF OCTOBER 2004

DOCUMENTS DEPT.

DEC 21 2004

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of October 2004, at the place and date duly established for holding of such a meeting.

5
5/09
President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Darshan Singh

Benny Y. Yee

Michelle W. Sexton

And the following were absent:

Kathryn C. Palamountain

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of September 21, 2004

4 (b) Resolution No. 115-2004, Authorizing an extension of time for completion of Contract RPSB.003-03 with Dutra Construction Company, Inc., a California corporation, from October 6, 2004 to January 14, 2005 for South Beach Park and Harbor improvements; Rincon Point - South Beach Redevelopment Project Area

4 (c) Resolution No. 116-2004, Authorizing a First Amendment to the ground lease modifying the distribution of the Agency's portion of residual receipts; extending the initial term of 67 years with an option to renew for an additional 32 years; and authorizing an MHP lease rider with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and

rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Affordable Housing Program

4 (d) Resolution No. 117-2004, Authorizing a Second Amendment to the Regulatory and Grant Agreement modifying the distribution of the Agency's portion of residual receipts; extending the initial term to 67 years with an option of renewal for an additional 32 years; and extending the schedule of performance all with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Housing Program

Items 4 (c) and 4 (d) were withdrawn from the Consent Agenda.

The Commission voted on the remaining items 4(a), and 4 (b) on the Consent Agenda

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN, MR. SINGH AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF SEPTEMBER 21, 2004 (MS. SEXTON ABSTAINING), AND 4 (b) RESOLUTION NO. 115-2004, AUTHORIZING AN EXTENSION OF TIME FOR COMPLETION OF CONTRACT RPSB 003-03 WITH DUTRA CONSTRUCTION COMPANY, INC., A CALIFORNIA CORPORATION, FROM OCTOBER 6, 2004 TO JANUARY 14, 2005 FOR SOUTH BEACH PARK AND HARBOR IMPROVEMENTS; RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

The Commission considered items 4 (c) and 4 (d) as separate items.

4 (c) Resolution No. 116-2004, Authorizing a First Amendment to the ground lease modifying the distribution of the Agency's portion of residual receipts; extending the initial term of 67 years with an option to renew for an additional 32 years; and authorizing an MHP lease rider with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Affordable Housing Program

4 (d) Resolution No. 117-2004, Authorizing a Second Amendment to the Regulatory and Grant Agreement modifying the distribution of the Agency's portion of residual receipts; extending the initial term to 67 years with an option of renewal for an additional 32 years; and extending the schedule of performance all with Jordan Housing Corporation, a California nonprofit public benefit corporation, in conjunction with the acquisition and rehabilitation of 55 very low-income rental units, the Jordan Apartments, 820 O'Farrell Street; Citywide Tax Increment Housing Program

Presenters: Olson Lee, Michele Davis (Agency staff)

Speakers: Mary Rogers

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN AND MR. YEE ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 116-2004, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE MODIFYING THE DISTRIBUTION OF THE AGENCY'S PORTION OF RESIDUAL RECEIPTS; EXTENDING THE INITIAL TERM OF 67 YEARS WITH AN OPTION TO RENEW FOR AN ADDITIONAL 32 YEARS; AND AUTHORIZING AN MHP LEASE RIDER WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN AND MR. YEE ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 117-2004, AUTHORIZING A SECOND AMENDMENT TO THE REGULATORY AND GRANT AGREEMENT MODIFYING THE DISTRIBUTION OF THE AGENCY'S PORTION OF RESIDUAL RECEIPTS; EXTENDING THE INITIAL TERM TO 67 YEARS WITH AN OPTION OF RENEWAL FOR AN ADDITIONAL 32 YEARS; AND EXTENDING THE SCHEDULE OF PERFORMANCE ALL WITH JORDAN HOUSING CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 55 VERY LOW-INCOME RENTAL UNITS, THE JORDAN APARTMENTS, 820 O'FARRELL STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

Items 4 (e) and (f) were presented together and acted upon separately.

4 (e) Resolution No. 118-2004, Authorizing a loan agreement with Yoshi's Japanese Restaurant, Inc., a California corporation, in an amount not to exceed \$4,400,000 for predevelopment expenses, tenant improvements, and equipment purchases, to establish a jazz club/restaurant in the mixed-use development at Agency Parcel 732-A in the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2

4 (f) Resolution No. 119-2004, Authorizing a loan agreement with Food For Soul, LLC, a California limited liability company, in an amount not to exceed \$1,700,000, for predevelopment expenses, tenant improvements, and equipment purchases, to establish a restaurant/music lounge in the mixed-use development at Agency Parcel 732-A in the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2

Presenters: Ricky Tijani (Agency staff)

Speakers: Mary Rogers, Michael Johnson, Monetta White

Commissioner King put forth a motion to adopt item 4 (e) and stated he was very happy to see the progress that had been made with the development of Parcel 732-A. Mr. King thanked staff for its hard work and thanked everyone involved in the project.

Commissioner Yee seconded Commissioner King's motion to adopt item 4 (e). Mr. Yee requested clarification that interest on the loans would begin accruing on the sixth year when loan payments were to commence for Yoshi's and Food for Soul. Mr. Yee asked if staff knew the anticipated net income from the establishments and asked for an explanation of the investment return of the equity investors for Yoshi's.

Mr. Ricky Tijani, Senior Development Specialist, stated that the loans would accrue interest at the fixed rate of 3.25% per year beginning on the date the establishments open for business, and in the case of Yoshi's, their payments would be interest only during the first five years of the loan term. Mr. Tijani stated staff was still working on the anticipated net incomes for both establishments and explained that Yoshi's, beginning in year six, would pay 20% of the club's net income until the equity investors have received a 15% return on their equity contribution, then payments would be 75% of the club's net income until the loan was fully repaid.

Commissioner Yee thanked Mr. Tijani for the explanation and stated that he was impressed with the \$3.0 million equity being provided by Yoshi's.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 118-2004, AUTHORIZING A LOAN AGREEMENT WITH YOSHI'S JAPANESE RESTAURANT, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$4,400,000 FOR PREDEVELOPMENT EXPENSES, TENANT IMPROVEMENTS, AND EQUIPMENT PURCHASES, TO ESTABLISH A JAZZ CLUB/RESTAURANT IN THE MIXED-USE DEVELOPMENT AT AGENCY PARCEL 732-A IN THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 119-2004, AUTHORIZING A LOAN AGREEMENT WITH FOOD FOR SOUL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED \$1,700,000, FOR PREDEVELOPMENT EXPENSES, TENANT IMPROVEMENTS, AND EQUIPMENT PURCHASES, TO ESTABLISH A RESTAURANT/MUSIC LOUNGE IN THE MIXED-USE DEVELOPMENT AT AGENCY PARCEL 732-A IN THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (g) Resolution No. 120-2004, Authorizing a Second Amendment to the Letter Agreement with the Mayor's Office of Community Development for a design services contract with Asian Neighborhood Design as part of the Six on Sixth Economic Revitalization Program, and an increase in the maximum amount payable by \$77,588, for an aggregate amount not to exceed \$2,508,820; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Nancy Conover, Henry Karnilowicz

Commissioner Sexton put forth a motion to adopt item 4 (g).

Commissioner Dunlop seconded Commissioner Sexton's motion and thanked staff and the community for the hard work.

Commissioner Yee stated he noticed that the side-by-side photographs of the laundromat showing the improved façade were not taken from the same view and

that he would prefer to have comparison photographs taken from the same vantage point. Mr. Yee asked if there was a representative from Asian Neighborhood Design.

Ms. Rosie McNulty of Asian Neighborhood Design introduced herself to the Commission.

President Romero thanked members of the South of Market community for attending the meeting and encouraged them and staff to keep up the good work.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (g) RESOLUTION NO. 120-2004, AUTHORIZING A SECOND AMENDMENT TO THE LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT FOR A DESIGN SERVICES CONTRACT WITH ASIAN NEIGHBORHOOD DESIGN AS PART OF THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM, AND AN INCREASE IN THE MAXIMUM AMOUNT PAYABLE BY \$77,588, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$2,508,820; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Workshop on the status of the proposed Transbay Redevelopment Project Area and Transbay Development Controls and Design Guidelines

Presenters: Mike Grisso, Tom Evans (Agency staff)

Speakers: Clark Manus

Commissioner Dunlop thanked Mr. Tom Evans and Mr. Mike Grisso for the great presentation and stated it was good to hear from Mr. Clark Manus that the Transbay project had been a public process with a lot of involvement from the community. Mr. Dunlop stated he was impressed with the proposed vertical high-density development and suggested that the maximum one-to-one parking requirement seemed unnecessary in an area served with a lot of public transit. Mr. Dunlop added that the Agency and the City should encourage bicycling and ride sharing and to minimize the use of automobiles.

President Romero stated he was favorably impressed with the development guidelines presented and Transbay was sure to be an attractive urban space. Mr. Romero

requested verification that open space would be provided in the proposed project area. Mr. Romero asked what was the purpose of requiring the first floors of the buildings to be five feet higher and what the proposed sidewalk widths were in the proposed project area.

Mr. Tom Evans, Assistant Project Manager, stated that a one-acre park was proposed on Block 3 of the proposed project area as well as smaller open space areas within every block. Mr. Evans stated that the purpose for designing the first floors to be two to five feet higher was to provide more privacy to the residents as well as public surveillance onto the streets. Mr. Evans stated that sidewalks were proposed to be widened to between 15 and 32 feet including setback areas for yards and landscaping.

Commissioner Yee noted that a large portion of the Transbay area northeast of Main Street was not part of the proposed project area and asked for an explanation. Mr. Yee asked why the area around Second and Folsom and Harrison Streets were not included in the proposed project area because he recalled that the area was not in the greatest of conditions.

Mr. Tom Evans stated that the project boundary was defined by the existence of blight as prescribed by the Community Redevelopment Law and the area northeast of Main Street already had existing commercial office development that were not considered blighted. Mr. Evans stated that the area around Second and Folsom and Harrison Streets had large developments that were only 10 years old and that was why the area was not included in the proposed project boundary. Mr. Evans added that the former CalTrans parcels were included.

Commissioner Yee stated that the proposed 35% affordable housing for Transbay was very good and asked how often that percentage was used for redevelopment project areas.

Mr. Mike Grisso, Project Manager, stated that the percentage of affordable housing was the subject of AB 812, which was passed by the State Legislature, specific to Transbay and because the CalTrans parcels were transferred to the City for free, it was required that 35% of the proposed housing units be set aside for affordable housing development.

President Romero stated he recalled mention about an underground connection from the proposed terminal to BART along Market Street and asked if that was still part of the proposed project.

Mr. Mike Grisso stated one of the options included in the Transbay Joint Powers

Authority preferred alternative was an underground connection from the Transbay Terminal to Market Street, BART and MUNI.

President Romero stated he recalled that at the previous workshop, the underground connection was not planned, but he was glad to hear that it was part of the development options because he thought that the connection would be used more.

Commissioner Yee asked if staff had an anticipated completion date for the Transbay project.

Mr. Mike Grisso stated that presently, staff anticipated completion of the housing development to take at least 15 years with the first development expected to start in about three to five years, following plan adoption.

4 (i) Public hearing on a Draft Supplement to the previously certified Final Environmental Impact Report for the South of Market Redevelopment Plan Amendment; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jose Campos (Agency staff)

Speakers: Anthony Paci, Chris Powell, Victor Gilbert, Steve Rahn, Nisha

Chaudry, Charles Range

President Romero stated he wanted to reiterate what Mr. Jose Campos stated in his introductory remarks - that the purpose of the public hearing was to take testimony from the public and not to discuss the item, which was the legal requirement for the public hearing, and asked the General Counsel to provide an explanation.

General Counsel James B. Morales stated that President Romero was correct that this was an opportunity to comment on the Draft Supplement to the Final Environmental Impact Report (FEIR), and as Mr. Campos indicated, staff would prepare written responses to each of the public comments. Mr. Morales stated that in addition to the public testimony, written comments were also encouraged and would be accepted until October 14th and the written comments would also be responded to in writing. Mr. Morales stated that following the public comment, there was opportunity for the Commission to provide its comments on the Draft Supplement to the FEIR, but the merits of the proposed plan amendment for South of Market would be the subject of

future public hearings. The Commission would determine the number of public hearings on the proposed plan amendment providing more opportunity for the public to comment specifically on the plan amendment, and to accept, approve and recommend to the Board of Supervisors its approval of the proposed plan amendment. The Board of Supervisors would then hold its public hearing to determine if the area is sufficiently blighted to warrant an amendment of the existing redevelopment plan. Mr. Morales reiterated that the purpose of the hearing was solely to receive public comment on the Draft Supplement to the FEIR.

Commissioner Yee requested clarification of the General Counsel's advise that Commissioners could only comment on the Draft Supplement to the FEIR and not on the public comments pertaining to notification of property owners. Mr. Yee pointed out that he should be able to provide his reaction to such comments.

General Counsel Morales reiterated that the public hearing was to provide opportunity to hear public comment on the Draft Supplement to the FEIR and Commissioners were free to address the concerns raised by the public at any time, but it would be more appropriate under Commissioners' Questions and Matters where Commissioners would ask staff about the concerns raised.

Commissioner Yee stated he understood and would reserve his comments at the appropriate time.

Commissioner Singh stated it was the first time he had heard that Commissioners could not comment on matters raised by the public, and he wanted to know why staff did not notify property owners before their properties were classified as blighted properties.

President Romero stated the Commission did not often hold public hearings on environmental impact reports, but it had previously done so, and comments about the Agency's use of eminent domain were brought up, which were not the subject of the matter before the Commission. Mr. Romero stated that Commissioners were welcomed to comment on such matters at the appropriate place on the Agenda, and reiterated that the public hearing was to hear public comment on the Draft Supplement to the FEIR.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT None.

8. REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Marcia Rosen stated she wanted to address the questions raised about the South of Market. In the past, questions had been raised about the Project Area Committee's composition and about the public notification and public process, and staff had provided the Commission with informational memoranda responding to those questions. Ms. Rosen stated she could provide copies to the Commission as well as interested members of the public, but pointed out that the Commission had heard these similar issues previously, and if Commissioners had additional questions, staff would of course prepare responses.

- The culmination of a successful summer in the Fillmore district with the Friday night jazz concerts and the Saturday Farmers' Market would be celebrated on Sunday, October 10th, from 11:00 a.m. to 6:00 p.m. with a Big Band duel and Barbeque Cook-off on Parcel 732-A, which would include an outdoor dance floor. Ms. Rosen informed that if members of the public would like to compete in the Barbeque Cook-off, they could call 346-0199 or by logging on to www.fillmorejazz.com to get more information. Ms. Rosen added that she was one of the judges for the cook-off event.
- Bayview Hunters Point community meetings:
 1. October 21st, 6:00 to 8:00 p.m., on the proposed BVHP redevelopment plan amendment, at the Alex Pitcher Community Room, Southeast Community Facility.
 2. October 23rd, 10:00 a.m. to noon, on the proposed Model Block Program, at the Bayview Opera House.
 3. October 28th, 6:00 to 8:00 p.m., on the proposed Bayview Industrial Triangle redevelopment plan amendment, at the Southeast Community Facility.
 4. November 3rd, 6:00 to 8:00 p.m., on the proposed India Basin Industrial Park redevelopment plan amendment, at the Southeast Community Facility.

- The Working Group held a meeting on September 20th and was working on a recommended alternative program for the Agency, and would have the matter for the Commission's consideration at a future Commission meeting.

- Mission Bay update:
 1. Catellus announced the sale of six blocks in Mission Bay South for residential development to Bosa Development, a Vancouver developer. The six residential development blocks had an entitlement for 1,500 housing units, which according to Bosa Development, would be developed over a ten-year period. The first 400 units were under design and staff would have them before the Commission shortly.
 2. Mission Bay North - staff was working with several developers on the design review for four new residential projects totaling 750 units, which would be scheduled before the Commission in the next few months.
 3. Catellus had completed the sale and transfer of eight acres of land for over half-a-million square feet of commercial development to Alexandria Real Estate Equities, the leading national biotech technology developer.
 4. Catellus announced entering into a long-term lease with UCSF for an additional 10 acres south of the existing UCSF campus, proposed for expansion of its research campus or a specialty hospital. Staff was working closely with the Mayor's office to investigate these proposed projects and would schedule them before the Commission shortly.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee inquired about the sales prices of the land sold by Catellus in Mission Bay.

Executive Director Rosen stated that the terms of the sales had not been disclosed.

- Commissioner Yee thanked Mr. Charles Range for his testimony and his many years of hard work serving on the South of Market Project Area Committee. Mr. Yee stated he had served almost 30 years as a Commissioner at the State, Federal and local levels and his demeanor had always been the same when it came to serving the public and when he raised concerns about how the public was treated, he did not intend to criticize the Agency staff, but it was important for staff to keep in mind that the Agency exists to serve the public especially those affected by Agency actions. Mr. Yee stated the Agency was

obligated to notify each and every property owner within a project area and to make sure that all of the property owners were kept well informed of the Agency's activities. Mr. Yee reiterated his concerns with the public's testimony he heard regarding not being notified and adequately informed.

- Commissioner Yee stated that he had read the informational memorandum regarding Mr. Heinz Kanein who owned one of the units at Candlestick View, and he understood that the reason the Agency could not sign-off on his loan was that Mr. Kanein did not follow Agency procedures. Mr. Yee stated that his concern was Mr. Kanein's previous testimony that Agency staff did not respond to his inquiry for two months, and if that was true, that was intolerable and unacceptable. Mr. Yee stated he wanted to let the Executive Director know his strong feelings that staff should respond to public inquiries within a reasonable time period so that the public could be well served. Mr. Yee stated it was the Commission's responsibility to make decisions and as far as he was concerned, it was not always necessary to follow staff's recommendation 100% of the time.
- Commissioner Singh stated he had the same concerns as Commissioner Yee and asked how staff determined when a property was blighted. Mr. Singh asked if property owners were notified of the blight survey and its findings. Mr. Singh asked staff to make sure that property owners were notified of the next community meeting and to work with the property owners who testified.

Mr. Jose Campos, Planning Supervisor, stated that staff followed the blight conditions listed in the California Community Redevelopment Law, which specified physical and economic conditions of blight. Agency staff with the assistance of consultants, conducted field surveys of every property within the project area to determine conditions of blight, by identifying physical conditions like broken windows and cracked foundation, as well as vacant storefronts and underutilized property to determine economic blighting conditions. In addition, staff relied on extensive research on such things as crime rate, unemployment and leasing trends in the area to support findings of economic blight. The completed survey was compiled to indicate the prevalence of both physical and economic blight pursuant to the Community Redevelopment Law, which was one of prerequisites for adoption of a redevelopment plan or a plan amendment. Mr. Campos stated that property owners were not notified of the blight field survey and its findings, but staff did conduct numerous public meetings to discuss the preliminary and blight reports.

Executive Director Rosen stated that although the law did not require it, staff did meet with concerned property owners and conducted public meetings to discuss the blight findings. Ms. Rosen added that the blight survey was conducted to comply with the requirements of law, which would provide the evidentiary basis for approving the plan amendment for South of Market, and not for building code compliance or enforcement action by the Agency. Ms. Rosen assured that all property owners would be notified and kept informed, and staff would prepare a report to the Commission and made available to the public.

- Commissioner Dunlop asked the Executive Director how many private properties had been acquired through eminent domain by the Agency during the past 20 years.

Executive Director Rosen stated that no private properties had been acquired through eminent domain during at least the past seven to eight years to her knowledge.

- Commissioner Dunlop stated that was an important fact to state given the concerns raised about the use of eminent domain by the Agency. Mr. Dunlop stated that staff did its due diligence to notify and contact everyone in the project area, but sometimes there were those that were not reached and for that, he apologized. Mr. Dunlop stated that was why the Commission conducted public meetings so that the public could address the Commission on such important matters, and he had no doubt that staff would get in touch with the property owners who testified and work with them.
- Commissioner King stated he recalled that he was displaced by eminent domain and when he was appointed as a Redevelopment Agency Commissioner, he made sure that the use of eminent domain was a last resort for the Agency after it had exhausted all other means of property negotiations. Mr. King stated that the Agency had not used eminent domain to acquire property in his recent memory. Mr. King added that it was good for interested members of the public to come to Commission meetings to let the Commission know of its concerns.
- Commissioner Yee asked if the proposed South of Market plan amendment could go forward without the approval by the Commission of the Draft Supplement to the FEIR.

Executive Director Rosen stated the California Environmental Quality Act (CEQA) required that approval of a redevelopment plan or plan amendment was dependent upon certification an environmental impact report.

- President Romero stated he shared the same concerns as his fellow Commissioners about the use of eminent domain and to his recollection, the Agency had not used the power of eminent domain during the last seven years he had been on the Commission. Mr. Romero stated he recalled reading a recent news article about the Board of Supervisors' decision to acquire a property within the Transbay Terminal area using the City's power of eminent domain and that was the first time he had seen any governmental agency suggest using the power of eminent domain. Mr. Romero stated it was on only the rarest of occasions that eminent domain was used and when it was used, it required extensive justification. Mr. Romero thanked members of the South of Market community for coming to the meeting and expressing their concerns to

the Commission and assured them that Agency staff was very diligent about notifying everyone in the project area.

10. CLOSED SESSION

(a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Sexton, seconded by Mr. Yee, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:33 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

October 19, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
19TH DAY OF OCTOBER 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 19th day of October 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:03 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Darshan Singh

Benny Y. Yee

Michelle W. Sexton

And the following were absent:

Kathryn C. Palamountain

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 5, 2004

4 (b) Resolution No. 121-2004, Authorizing execution of an Amendment No. 2 to Letter of Credit and Reimbursement Agreement with respect to a letter of credit from Dexia Credit Local relating to the Agency's variable rate demand refunding bonds, 1986 Series A (South Beach Harbor Project) and authorizing and approving other matters properly relating thereto; Rincon Point South Beach Redevelopment Project Area

4 (c) Resolution No. 122-2004, Authorizing a Personal Services Contract with Seifel Consulting, Inc., a California corporation, in an amount not to exceed \$20,000 for consulting services related to updating the tax increment projections for Bayview

Hunters Point Redevelopment Survey Area, Hunters Point Redevelopment Project Area, Bayview Industrial Triangle Redevelopment Project Area, and Transbay Redevelopment Survey Area

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 5, 2004, 4 (b) RESOLUTION NO. 121-2004, AUTHORIZING EXECUTION OF AN AMENDMENT NO. 2 TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT WITH RESPECT TO A LETTER OF CREDIT FROM DEXIA CREDIT LOCAL RELATING TO THE AGENCY'S VARIABLE RATE DEMAND REFUNDING BONDS, 1986 SERIES A (SOUTH BEACH HARBOR PROJECT) AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; RINCON POINT SOUTH BEACH REDEVELOPMENT PROJECT AREA, AND 4 (c) RESOLUTION NO. 122-2004, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH SEIFEL CONSULTING, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$20,000 FOR CONSULTING SERVICES RELATED TO UPDATING THE TAX INCREMENT PROJECTIONS FOR BAYVIEW HUNTERS POINT REDEVELOPMENT SURVEY AREA, HUNTERS POINT REDEVELOPMENT PROJECT AREA, BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, AND TRANSBAY REDEVELOPMENT SURVEY AREA, BE ADOPTED.

REGULAR AGENDA

4(d) Resolution No. 123-2004, Commending and expressing appreciation to Shirley R. Wysinger for 30 years of dedicated public service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen (Agency staff)

Speakers: Sandy Mori, Mary Rogers, Rev. Arnold Townsend, Jim Reuben,

Darf Butler, Dorris Vincent, Emmit Powell

Commissioner King congratulated Ms. Shirley Wysinger on her retirement. Mr. King recalled that Ms. Wysinger, when she first started at the Agency, worked on the Hunters Point Redevelopment Project Area and was instrumental in helping provide a grocery store in the community, the Cala Food Store in Hunters Point. Ms. Wysinger then worked in Western Addition and worked with the Japanese-American community as well as on the Gene Suttle Plaza and the Fillmore District. Mr. King complimented Ms. Wysinger on her tremendous work with the community and wished she and her husband a wonderful time on their planned vacation. Mr. King stated that Mr.

Wysinger's retirement party was a great event because the Western Addition community was fully represented and was emblematic of the respect for Ms. Wysinger's dedicated service at the Agency.

Commissioner Dunlop stated he was sad to see Ms. Wysinger go and recalled that his first tour as a Commissioner was with Ms. Wysinger in the Western Addition. Mr. Dunlop stated that the tour was very thorough and efficient and so heartfelt and that he would always remember Ms. Wysinger's sincerity and energy. Mr. Dunlop added that when he recalled the former synagogue's dire condition compared to the newly restored and beautiful facility now serving the elderly, he was reminded of Ms. Wysinger's efforts and hard work. Mr. Dunlop stated he recognized that Western Addition was Ms. Wysinger's community where many intense battles took place, but Ms. Wysinger always kept her grace and composure under fire and it was that quality that would be missed. Mr. Dunlop thanked Ms. Wysinger for her 30 years of dedicated service to the Agency.

Commissioner Sexton recalled she met Ms. Wysinger when she was still working at the San Francisco City Attorney's Office while working on Parcel 732-A, and often times when the meetings were contentious, Ms. Wysinger's demeanor was always professional and what Reverend Arnold Townsend stated earlier was true, that Ms. Wysinger was able to disagree without being disagreeable. Ms. Sexton stated that was an incredible talent and one that she was still trying to learn how to do. Ms. Sexton stated she did not realize that Ms. Wysinger grew up and resided in the Fillmore community and she appreciated hearing from Mrs. Helen Rogers about Ms. Wysinger's contributions to the Western Addition community. Ms. Sexton thanked Ms. Wysinger for her hard work with the community and stated she was honored to have worked with Ms. Wysinger and wished her the best of luck in her retirement.

Commissioner Singh stated that Ms. Wysinger always made herself available whenever he had questions and provided all the information he needed. Mr. Singh stated he considered Ms. Wysinger a friend and not just a colleague. Mr. Singh stated he was amazed that Ms. Wysinger had worked for the Agency for 30 years looking as young as she did. Ms. Singh stated he enjoyed attending her retirement party and congratulated her husband for finding such a wonderful lady like Ms. Wysinger. Mr. Singh stated he would miss Shirley and wished her a great time going shopping.

Commissioner Yee stated he agreed with all of his fellow Commissioners' statements and joked that the reason why Ms. Wysinger looked so young was because she was the youngest employee that was hired 30 years ago. Mr. Yee stated that Ms. Wysinger was unbeatable among all Agency staff because he had never heard anything negative said about Ms. Wysinger and everyone had nothing but nice things to say about her work at the Agency. Mr. Yee stated he was glad for Ms. Wysinger on her retirement and that her retirement would be a loss to the Agency. Mr. Yee wished Ms. Wysinger and her husband the best of luck and hoped to see them in Mexico sometime.

President Romero stated that like Commissioner Dunlop, his first tour as a

Commissioner was of Western Addition and really spoke about the hard work that Ms. Wysinger had dedicated to the Agency. Mr. Romero stated that as he looked through the commendation resolution including Ms. Wysinger's promotions, it was evident that she had a very successful career at the Agency, someone with great competence and ambition. Mr. Romero stated that Ms. Wysinger was the epitome of class in the way she handled the heat from the community on contentious issues and everyone was very proud of her accomplishments. Mr. Romero wished her the best of luck in her retirement.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 123-2004, COMMENDING AND EXPRESSING APPRECIATION TO SHIRLEY R. WYSINGER FOR 30 YEARS OF DEDICATED PUBLIC SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

Items 4 (e) and (f) were presented together and acted upon separately.

4 (e) Resolution No. 124-2004, Authorizing an Owner Participation Agreement with Eddy Street LLC, a California limited liability company, for the proposed development of 30 single-family townhomes at 1300 Eddy Street, located between Buchanan and Webster Streets (Assessor's Block 733, Lot 02); Western Addition Redevelopment Project Area A-2

4 (f) Resolution No. 125-2004, Conditionally approving the schematic design for 1300 Eddy Street housing project, located between Buchanan and Webster Streets (Assessor's Block 733, Lot 02); Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades, Elena Branick (Agency staff), Bob Lalanne

(developer)

Speakers: Rev. Arnold Townsend, Mary Rogers, Derf Butler

Commissioner King stated he had some doubts earlier but his doubts were satisfied after speaking with the developer who had committed to working with the small businesses in the area and he was happy with the beautiful homes proposed for the site. Mr. King put forth a motion to adopt item 4 (e) and wished the developer good luck.

Commissioner Yee seconded Commissioner King's motion to adopt item 4 (e) and stated he had frequented the area with Commissioner King and actually knew the owner of the small grocery store and unfortunately, the owner was not able to make the necessary profits to stay in business. Mr. Yee stated he was happy that the underutilized land was going to be developed with 30 new wonderful homes whose design he liked and may even consider purchasing one of the units.

Commissioner Dunlop stated he thought it was a nice looking project and would add to the neighborhood, except for the lack of neighborhood shopping. Mr. Dunlop asked if staff could look into the matter in the future to address the need. Mr. Dunlop asked if Safeway charged for home delivery to seniors or housebound people because that would certainly be a kind gesture from Safeway to assist the community. Mr. Dunlop asked what the income limits were for 100% of the area median income.

Ms. Denise Blades, Development Specialist, stated that staff was not sure if Safeway charged for home deliveries, but would find out and report back to the Commission. Ms. Blades informed the Commission that the income limits depended on the household size, but ranged from \$60,000 for a single-person household to \$95,000 for a four-person household.

Mr. Bob Lalanne of Eddy Street LLC, added that for a three-person household, the income limit was \$82,000 for a \$250,000 unit.

Commissioner Dunlop stated that the income limits seemed high especially for the community even though the median income was citywide and suggested that the affordability level could go a little deeper to target the lower incomes of the people in the Western Addition community. Mr. Dunlop complimented the developer on the excellent job they did on the community outreach.

Commissioner Singh asked what the proposed sales prices were for the market-rate units.

Mr. Bob Lalanne stated he estimated the sales prices of the market-rate units to be within the range of \$450,000 to \$550,000. Mr. Lalanne explained that the site was a challenging site to develop because the parking lot was ground zero for the drug activity in the area and the hope was to enhance the neighborhood with the housing development that would become a benefit for the community and until the project was completed, it was not certain exactly what the units would sell for.

President Romero offered his congratulations to staff and the developer and stated that overall, the project was a good thing to approve and he was confident that the

proposed project was done right and would have his support.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (e) RESOLUTION NO. 124-2004, AUTHORIZING AN OWNER PARTICIPATION AGREEMENT WITH EDDY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE PROPOSED DEVELOPMENT OF 30 SINGLE-FAMILY TOWNHOMES AT 1300 EDDY STREET, LOCATED BETWEEN BUCHANAN AND WEBSTER STREETS (ASSESSOR'S BLOCK 733, LOT 02); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (f) RESOLUTION NO. 125-2004, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR 1300 EDDY STREET HOUSING PROJECT, LOCATED BETWEEN BUCHANAN AND WEBSTER STREETS (ASSESSOR'S BLOCK 733, LOT 02); WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (g) Resolution No. 126-2004, Authorizing a Personal Services Contract with Personal Protective Services, Inc., a California corporation, to provide patrol and security services at the Hunters Point Shipyard for an initial term of three years beginning on November 1, 2004 and ending on October 31, 2007, for a total aggregate amount not to exceed \$1,005,790 (which amount shall be paid with non-Agency funds), with options to extend the contract for two additional one-year terms, subject to the appropriation of funds by the United States Department of the Navy; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: William Fobbs

Commissioner Yee stated that staff had done a good job on the proposed contract and he was impressed with the good response to the Request for Proposals. Mr. Yee put forth a motion to adopt item 4 (g).

Commissioner Singh requested representatives of the contractor to be recognized by the Commission. Mr. Singh asked where Personal Protective Services headquarters was and if they had other contracts with the City. Mr. Singh inquired about testimony regarding lawsuits against Personal Protective Services. Mr. Singh noted that only two security officers would be provided, one at the main gate and a roving patrol officer during the swing and graveyard shifts, and asked if that was adequate for the entirety of the Shipyard.

Ms. Nicole Franklin, Property Management Supervisor, introduced representatives of Personal Protective Services in attendance. Ms. Franklin stated that Personal Protective Services was headquartered in San Mateo and they had contracts for several multi-family housing projects in the Bayview as well as one of the tenants in the Hunters Point Shipyard. Ms. Franklin stated she was very thorough in checking everyone's qualifications and consulted with the California Consumer Affairs regarding the contractor's record, and the contractor had signed a statement stating that they had no outstanding or pending litigation against them. Ms. Franklin stated that based upon negotiations with the U.S. Navy, staff had assessed the security needs of the Shipyard, including the fact that the U.S. Department of Defense would remain in the Shipyard, staff believed that the proposed contract would provide adequate coverage.

Commissioner King asked who represented BVHP/Lennar on the interview panel and asked what happened to the existing security contract at the Shipyard and if the proposed security contract would provide the same security services.

Ms. Franklin informed the Commission that Mr. Derek Smith represented BVHP/Lennar on the interview panel.

Mr. Derek Smith stated that the existing security contract was not with BVHP/Lennar, but the Agency nor would the proposed security contract, and BVHP/Lennar was asked to send a representative on the interview panel.

Commissioner King requested verification that the contractor signed a statement stating that it did not have pending lawsuits against it, and asked if the Hunters Point Shipyard Citizens' Advisory Committee (CAC) reviewed the proposed security contract.

Ms. Franklin affirmed that the contractor signed a statement stating that they had no outstanding or pending litigation against them and stated staff also checked on their license to see if there were any outstanding complaints and there were none as well. Ms. Franklin stated that the security services contract was not reviewed by the CAC.

Commissioner King asked why the security services contract was not reviewed by the CAC.

Executive Director Rosen informed the Commission there was CAC representation on the selection panel and stated that the selection process was in compliance with the Agency's purchasing policy as well as the U.S. Navy's procurement process, and the

selection panel included representatives from the CAC, BVHP/Lennar and Agency staff.

Commissioner King asked if the contract was reviewed by the CAC prior to the selection of the recommended contractor.

Executive Director Rosen stated that the contract was not sent to the CAC for review. The selection process that staff followed was to have a qualified selection panel, which would make a recommendation to the Agency staff, then to the Agency Commission.

Commissioner King stated the Agency always tried to get the community involved to get them to interview the proposed contractors to see their qualifications, and that's what he thought the purpose of the CAC was, but this time the proposed security services contract was not sent to the CAC for its review, and if that was the case, the Agency did not need the CAC.

Executive Director Rosen reiterated that the CAC had representation on the selection panel and stated it had not been Agency practice to bring selections of contractors that have gone through a selection process in compliance with the Agency's purchasing policy to the CAC. Ms. Rosen stated that the Agency certainly needed the CAC and in fact worked closely with them on Agency business.

Commissioner King stated he disagreed because by not having the CAC review the proposed contract, it did not show respect to the CAC and that he would vote against the contract since it was not reviewed by the CAC.

Commissioner Yee requested clarification that the particular security services contract was not required to be sent to the CAC for its review and recommendation.

Executive Director Rosen affirmed that the security services contract was not required to be sent to the CAC for its review and recommendation.

Commissioner Dunlop asked if the Agency had prior security services contracts in the Shipyard and if they were sent and reviewed by the CAC. Mr. Dunlop asked who the CAC representative was on the selection panel.

Ms. Franklin stated that the Agency did have prior security services contracts in the Shipyard, and during the time she had been with the Agency, those prior contracts had not been sent to the CAC for its review. Ms. Franklin stated that Mr. Ron Jones represented the CAC on the selection panel.

President Romero asked if the CAC asked to review the proposed security services contract.

Ms. Franklin stated that the CAC did not ask to review the security services contract, but she did contact several members of the CAC to request a representative on the selection panel.

(Speaking from the audience, Ms. Dorris Vincent raised her hand and requested to speak)

President Romero acknowledged Ms. Vincent and stated he would allow her to address the Commission because she is a member of the CAC and there had been substantial questions raised about the CAC's role in the selection of the security services contractor.

Ms. Dorris Vincent identified herself as a member of the CAC and stated that Mr. Ron Jones is the vice-chair of the CAC and that she was totally unaware of the selection and when she spoke with Mr. Jones the night before, he did not mention anything about the selection panel, and she had received a telephone call from staff about being on the selection panel. Ms. Vincent stated she was appalled that a San Mateo firm was being recommended when McCoy Patrol Services who was a local firm that submitted a response to the Request for Proposals was not considered.

President Romero stated it sounded to him that staff followed the Agency's contracting policies and procedures in the selection of the recommended contractor. Mr. Romero stated he was not certain if there was miscommunication with the CAC given Ms. Vincent's statements, but he had not heard any public comment other than references to lawsuits, that would make him doubt staff's review of the firm's qualifications, in terms of checking references or any performance issues that the Agency should be concerned about. Mr. Romero stated he believed that staff did its due diligence in reviewing the recommended contractor's qualifications.

Commissioner Dunlop stated that with 21 applicants, staff had a lot of firms to go through and plenty of comparisons that led to the unanimous selection of Personal Protective Services and staff seemed confident that the recommended firm could manage the scope of services called for in the Shipyard.

Ms. Franklin stated that Commissioner Dunlop was correct and added that she prided herself in being very thorough including broad advertisements to insure optimal participation. Ms. Franklin stated that staff invited multiple members of the CAC to participate in the selection process.

Commissioner King stated he did not want to delay the item, but was still concerned that the community was not given the opportunity to review the contract and felt that it was arrogant of the Agency to not have the CAC review the contract and seemed dictatorial to recommend a firm that was not reviewed by the CAC. Mr. King added that McCoy Patrol Services had been in Bayview for a long time and he did not understand the selection process.

Commissioner Yee asked how many people were on the selection panel and was the vote for the recommended contractor unanimous.

Ms. Franklin stated that there were five people on the selection panel, three staff persons including the Agency's Contract Compliance Manager, a representative from BVHP/Lennar, and a representative from the CAC. Ms. Franklin stated that the vote of the five-member selection panel was unanimous for Personal Protective Services.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, THAT ITEM 4 (g) RESOLUTION NO. 126-2004, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH PERSONAL PROTECTIVE SERVICES, INC., A CALIFORNIA CORPORATION, TO PROVIDE PATROL AND SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD FOR AN INITIAL TERM OF THREE YEARS BEGINNING ON NOVEMBER 1, 2004 AND ENDING ON OCTOBER 31, 2007, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,005,790 (WHICH AMOUNT SHALL BE PAID WITH NON-AGENCY FUNDS), WITH OPTIONS TO EXTEND THE CONTRACT FOR TWO ADDITIONAL ONE-YEAR TERMS, SUBJECT TO THE APPROPRIATION OF FUNDS BY THE UNITED STATES DEPARTMENT OF THE NAVY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Sexton

Mr. Singh

Mr. Yee

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING WERE ABSENT:

Ms. Palamountain

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 126-2004 WAS ADOPTED.

4 (h) Resolution No. 127-2004, Authorizing the Executive Director to expend an aggregate amount not to exceed \$175,000.00 for loan assistance to owners of Agency assisted below market rate units in Hillside Village wishing to undertake drainage repairs; Affordable Homeownership Program; Hunters Point Redevelopment Project Area

Presenters: David Sobel (Agency staff)

Speakers: Diane Gray

Commissioner Sexton asked if there was any liability to the original developer resulting from the damages, and if not, had staff informed the property owners that they would ultimately be responsible for the repairs.

Mr. David Sobel, Senior Development Specialist, stated that the original developer incorporated as Future Perfect, Inc. and was dissolved shortly after the project was completed, and staff had look at the liability issue overtime, and had not found the basis for liability to the original developer. Mr. Sobel stated that for the below

market-rate units, the Agency would provide a loan for the necessary repairs and would be paid back interest-free and for owners of the market-rate units choosing to do the repairs, there would not be Agency loans.

Commissioner Dunlop requested clarification that staff had not found the basis for liability to the original developer and asked if the work was deemed defective.

Mr. Sobel stated that the Department of Building Inspection signed-off on the construction permit and since the original developer entity was dissolved, there was no one to assign the liability to.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN AND MR. SINGH ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 127-2004, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXPEND AN AGGREGATE AMOUNT NOT TO EXCEED \$175,000.00 FOR LOAN ASSISTANCE TO OWNERS OF AGENCY ASSISTED BELOW MARKET RATE UNITS IN HILLSIDE VILLAGE WISHING TO UNDERTAKE DRAINAGE REPAIRS; AFFORDABLE HOMEOWNERSHIP PROGRAM; HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Resolution No. 128-2004, Public hearing and Authorizing execution of a sublease with Bay Area Cellular Telephone Company, a California general partnership, d/b/a AT&T Wireless, to sublease for a term of five years approximately 150 square feet of designated floor area in the Pier 40 shed; Rincon Point-South Beach Redevelopment Project Area

Executive Director Marcia Rosen informed the Commission that the matter was not yet ready, but was noticed as a public hearing, so staff would recommend a continuance, following public comment.

President Romero called for public comment, which there was none. Mr. Romero entertained a motion to continue item 4 (i) to November 9, 2004.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN AND MR. SINGH ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 128-2004, AUTHORIZING EXECUTION OF A SUBLEASE WITH BAY AREA CELLULAR TELEPHONE COMPANY, A CALIFORNIA GENERAL PARTNERSHIP, D/B/A AT&T WIRELESS, TO SUBLEASE FOR A TERM OF FIVE YEARS APPROXIMATELY 150 SQUARE FEET OF DESIGNATED FLOOR AREA IN THE PIER 40 SHED; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE CONTINUED TO THE COMMISSION MEETING OF NOVEMBER 9, 2004.

4 (j) Workshop on environmental condition of Parcel A of the Hunters Point Shipyard Redevelopment Project Area; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne Sakai (Agency staff), Michael Cohen (MOEWD), Amy Brownell (DPH)

Commissioner Sexton requested that copies of Article 31 be provided to the Commission for its information. Ms. Sexton asked if Article 31 was intended to apply only to Parcel A.

Ms. Amy Brownell of the Department of Public Health, stated that copies of Article 31 would be provided to the Commission. Ms. Brownell stated that since Parcel A was the only parcel being transferred at this time, Article 31 would apply to Parcel A, but there were other sections of the Health Code reserved for the other parcels.

Commissioner Dunlop thanked Ms. Amy Brownell and Mr. Michael Cohen for the thorough presentation. Mr. Dunlop inquired about the environmental insurance and asked who would pay the premiums and how much were the deductibles, and if there were any loss share provisions.

Mr. Michael Cohen, Director of Base and Reuse Development of the Mayor's Office of Economic and Workforce Development, stated that the developer, BVHP/Lennar would pay for the environmental insurance premiums and there is a \$250,000 deductible that would become part of the project costs. Mr. Cohen stated that the insurance coverage was quite broad, including offsite mitigation and third party claims. Mr. Cohen offered to provide an abstract of the environmental insurance policy.

Commissioner Dunlop stated he would like an abstract of the environmental insurance policy. Mr. Dunlop requested an update on Buildings 813, 815 and 819, given their adjacency to Parcel A. Mr. Dunlop expressed concern that in the future when families reside on Parcel A, that there was no hazard from these nearby buildings.

Ms. Brownell stated that Building 815 was non-Navy property and considered as formerly used defense site, and if anything would be done, the Army Corps of Engineers would look into it. For Building 813 and 819, additional radiological investigations had been done and the City's environmental experts had concluded

that these buildings would not pose a hazard on Parcel A uses.

Commissioner Yee stated he appreciated the excellent report and thorough presentation. Mr. Yee recalled that Ms. Brownell stated in her presentation that Parcel A was ready for transfer very soon, and remarked that he had heard that many times in the past few years, and asked if it was for real this time. Mr. Yee asked if staff had an estimate of when the other parcels would be ready for transfer.

Ms. Brownell stated that she could hardly believe it herself after working on the Shipyard for 11 years, but Parcel A was indeed ready for transfer. Ms. Brownell stated she would not hazard a guess on the transfer of the other parcels, but estimated that Parcels B and D could be ready for transfer in the next five years, and Parcel C after that. Ms. Brownell stated she would not hazard a guess for Parcels E and F.

President Romero stated that the Commission very much appreciated the conscientious job that the Shipyard team continued to do. Mr. Romero stated the Commission's paramount concern was for the property to be absolutely safe for people to live on and it appeared that staff was doing its due diligence and more to ensure the cleanup of the parcels. Mr. Romero recalled that Ms. Brownell informed that they had made a presentation to the Hunters Point Shipyard Citizens' Advisory Committee (CAC) the day before, and asked if there were any initial concerns raised at that meeting.

Ms. Brownell stated that two concerns were raised at the CAC meeting; first, there was a concern that when redevelopment begins, the abandoned buildings would have a lot of rats, cockroaches and mice and would go to adjacent buildings in the neighborhood, and second, a concern about the extraction system on the land fill and the possibility that if there was a grass fire, what would happen to the extraction system. Ms. Brownell stated that the Shipyard team would be looking into both of these issues and report back to the CAC.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Rev. Arnold Townsend, Emmit Powell, Mary Rogers, Angelo P. King, Essie Collins

7. REPORT OF THE PRESIDENT

- President Romero reported that he attended Mayor Newsom's press conference earlier in the day announcing the development of Parcel 732-A, and stated that the event was well attended and was a very positive experience. Mr. Romero thanked Commissioners who attended.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen informed the Commission that staff was working closely with the Mayor's Office of Economic Development and the Mayor's Office of Community Development regarding Powell's Place. Agency staff had also spoken to the management of Fillmore Center to make sure that Mr. Powell's project could move forward with the tenant improvement allowance from the Fillmore Center, and hoped to have the matter before the Commission shortly.
- Hunters Point Shipyard Open Studios on October 23rd and 24th, from 11:00 a.m. to 6:00 p.m.
- First annual Big Band Duel and BBQ cook-off last Sunday, October 10th, with 7,000 people in attendance, including 153 musicians and 8 bands - a wonderful community event that represented the return of jazz, blues and gospel music to the Fillmore District.

- Bayview Hunters Point Draft Environmental Impact Report was just published and provided to the Commission. Public hearings scheduled for December 2nd by the Planning Commission, and December 7th at the Agency Commission's regular meeting. The public review period would end on December 10, 2004.
- Mayor Newsom's State of the City Address on Thursday, October 21st at 1:00 p.m., Mission High School. There would be reserved seating for Commissioners.
- Public Initiatives Development Corporation (PIDC) regular Board Meeting for October 26th had been cancelled. Construction of the Plaza Hotel was underway.
- Bayview Hunters Point community meetings:
 1. October 21st, 6:00 - 8:00 p.m., Southeast Community Facility, regarding the Bayview Hunters Point Redevelopment Plan Amendment.
 2. October 23rd, 10:00 a.m. - Noon, Bayview Opera House, regarding the proposed Model Block Program
 3. October 28th, 6:00 - 8:00 p.m., Southeast Community Facility, regarding the Bayview Industrial Triangle Redevelopment Plan Amendment.
 4. November 3rd, 6:00 - 8:00 p.m., Southeast Community Facility, regarding the India Basin Industrial Park Redevelopment Plan Amendment.
 5. November 18th, 6:00 - 8:00 p.m., Southeast Community Facility, regarding an overview of the redevelopment plan amendment process.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee requested clarification about Mr. Emmit Powell's request to have the matter relating to his restaurant scheduled before the Commission.

Executive Director Rosen assured the Commission that staff would schedule Mr. Powell's item before the Commission as quickly as it could. Staff was working out the details with the Mayor's Office and would keep Mr. Powell and the Commission informed.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Ms. Sexton, seconded by Mr. Dunlop, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:58 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

November 09, 2004 (Special Meeting)

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
9TH DAY OF NOVEMBER 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 9th day of November 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Michelle W. Sexton

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS:

CONTINUED FROM THE OCTOBER 19, 2004 COMMISSION MEETING

3 (a) Resolution No. 128-2004, public hearing and authorizing execution of a sublease with Bay Area Cellular Telephone Company, a California general partnership, doing business as AT&T Wireless, to sublease for a term of five years approximately 150 square feet of designated floor area in the Pier 40 Shed; Rincon Point-South Beach Redevelopment Project Area

Presenters: Ricky Tijani (Agency staff)

Commissioner King stated he was confused with the proposed sublease at Pier 40 because he had read a press release, which he thought stated that the Mayor was going to turn over everything at the waterfront to the Port of San Francisco. Mr. King asked if staff had heard from the Mayor's office.

Executive Director Rosen stated that staff had no such information and there had been no contact from the Mayor's office on the proposed sublease that would interfere with the Agency's exercise of jurisdiction in the project area.

Commissioner King stated he was simply going by what the Mayor's press release stated and that the Mayor would make cutbacks and turn over everything at the waterfront to the Port of San Francisco. Mr. King stated he would vote against the item.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, THAT ITEM 3 (a) RESOLUTION NO. 128-2004, AUTHORIZING EXECUTION OF A SUBLEASE WITH BAY AREA CELLULAR TELEPHONE COMPANY, A CALIFORNIA GENERAL PARTNERSHIP, DOING BUSINESS AS AT&T WIRELESS, TO SUBLEASE FOR A TERM OF FIVE YEARS APPROXIMATELY 150 SQUARE FEET OF DESIGNATED FLOOR AREA IN THE PIER 40 SHED; RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Palamountain

Ms. Sexton

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King

Mr. Yee

AND THE FOLLOWING ABSTAINED:

Mr. Singh

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, (FOUR) 4 AYES, TWO (2) NAYS, AND ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 128-2004 WAS ADOPTED.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of October 19, 2004

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, THAT CONSENT AGENDA ITEM 4 (a) APPROVAL OF MINUTES: MEETING OF OCTOBER 19, 2004, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Sexton

Mr. Singh

Mr. Yee

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. King

AND THE FOLLOWING ABSTAINED:

Ms. Palamountain (absence at October 19th meeting)

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY AND ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND THE OCTOBER 19, 2004 MEETING MINUTES WERE APPROVED.

REGULAR AGENDA

4 (b) Resolution No. 129-2004, Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$2,092,040 for the Agency's share of the construction, management, and engineering support costs of Sixth Street Corridor Improvements Project, Phase II; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Kevin Masuda (Agency staff)

Speakers: Henry Karnilowicz

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (b) RESOLUTION NO. 129-2004, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$2,092,040 FOR THE AGENCY'S SHARE OF THE CONSTRUCTION, MANAGEMENT, AND ENGINEERING SUPPORT COSTS OF SIXTH STREET CORRIDOR IMPROVEMENTS PROJECT, PHASE II; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (c) Resolution No. 130-2004, Approving an amendment to the Bayview Industrial Triangle Design for Development to remove parcel setback requirements, update parking requirements, create bicycle parking requirements, and authorizing the Executive Director to transmit the amended Design for Development to the San Francisco Planning Commission for approval and adoption; Bayview Industrial Triangle Redevelopment Project Area

Presenters: Stan Muraoka, Tom Evans (Agency staff)

Speakers: Dorris Vincent

Commissioner Dunlop put forth a motion to adopt item 4 (c) and thanked Mr. Tom Evans for a clear and concise presentation.

Ms. Palamountain seconded Commissioner Dunlop's motion to adopt item 4 (c).

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 130-2004, APPROVING AN AMENDMENT TO THE BAYVIEW INDUSTRIAL TRIANGLE DESIGN FOR DEVELOPMENT TO REMOVE PARCEL SETBACK REQUIREMENTS, UPDATE PARKING REQUIREMENTS, CREATE BICYCLE PARKING REQUIREMENTS, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO TRANSMIT THE AMENDED DESIGN FOR DEVELOPMENT TO THE SAN FRANCISCO PLANNING COMMISSION FOR APPROVAL AND ADOPTION; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (d) Resolution No. 131-2004, Establishing classifications of positions and compensation for the Agency staff for fiscal year 2004-2005 and establishing authority for appointment to and vacation from positions under said classifications and other matters

Presenters: Ora Meacham (Agency staff)

Speakers: Lily Louie, Mary Rogers, James Bryant

Commissioner Singh stated that given the difficult economic times the City was facing, the Commission should delay consideration of the salary resolution and not approve it at this time.

Commissioner Dunlop put forth a motion to adopt item 4 (d).

Commissioner King stated he agreed with Commissioner Singh and pointed out that the Mayor had stated that every City department would be taking a cutback and here Agency staff was recommending salary increases for its employees. Mr. King stated he did not understand how the Agency's Local 790 members were getting an increase while the rest of the City's Local 790 members were taking cutbacks. Mr. King stated he certainly thought that the matter should be delayed until the Agency heard from the Mayor because the rest of the City was looking for cutbacks including possible layoffs. Mr. King stated he would vote against approval of the salary resolution and favored delaying the matter.

Commissioner Yee requested the Executive Director to respond to Mrs. Mary Rogers' questions about vacating certain Agency positions.

Executive Director Rosen stated that as the Commission was aware, the salary resolution did not create the approved positions. The budget approved by the Commission and the Board of Supervisors was the Agency's budget for the current fiscal year. The labor agreements, which the Commission unanimously approved in September (2004) set the terms that are reflected in the salary resolution. Ms. Rosen stated the salary resolution did not have any effect whatsoever on what positions were funded or what positions might be eliminated in some future time. Ms. Rosen stated staff was working closely with the Mayor's budget staff regarding proposed cutbacks and there were none proposed for the Agency at the present time. The salary resolution simply set the standard of pay for the positions, which the Commission already approved in its adoption of the Agency's 2004/2005 budget and the labor agreements.

Commissioner Yee requested clarification from President Romero about Commissioner Singh's earlier statement about tabling the matter, and asked if there was a motion and a second on the floor.

President Romero asked Commissioner Singh to clarify his earlier statements and if he made a motion to table the matter.

Commissioner Singh stated he made a motion to table the matter. Commissioner King seconded the motion to table the matter.

President Romero asked the Agency General Counsel if a motion to table was debatable.

Agency General Counsel James B. Morales stated that a motion to table was not debatable and the Commission would have to act on the pending motion to table.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, TO TABLE ITEM 4 (d) RESOLUTION NO. 131-2004, ESTABLISHING CLASSIFICATIONS OF POSITIONS AND COMPENSATION FOR THE AGENCY STAFF FOR FISCAL YEAR 2004-2005 AND ESTABLISHING AUTHORITY FOR APPOINTMENT TO AND VACATION FROM POSITIONS UNDER SAID CLASSIFICATIONS AND OTHER MATTERS, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King

Mr. Singh

Mr. Yee

AND THE FOLLOWOING VOTED "NAY":

Mr. Dunlop

Ms. Palamountain

Ms. Sexton

Mr. Romero

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, AND FOUR (4) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION TO TABLE ITEM 4 (d) FAILED.

President Romero called for continued discussion on item 4 (d).

Commissioner Sexton seconded Commissioner Dunlop's motion to adopt item 4 (d). Ms. Sexton stated the salary resolution was based upon the Commission's prior approval of the labor agreements, and the Commission would simply approve a salary resolution that was in conformance with the labor agreements already approved by the Commission.

Commissioner Palamountain stated that the salary resolution was simply standing by previous labor agreements the Commission had agreed to and that anyone on the Commission was neither naïve nor ready to face the potential budget cuts that the Agency would be facing. Ms. Palamountain stated that in light of the difficult economic times the Agency was facing, it was important for the Commission to stand by its employees, that they had the support of the Commission, and that the Commission had the best interest of not only the community, but the employees who spent a tremendous amount of effort, time and energy in fulfilling the Agency's work. Ms. Palamountain stated she would support the salary resolution and would stand by her prior commitment to the employees of the Agency.

President Romero stated that in his private life, he is a labor lawyer and dealt with

union management negotiations cases on a daily basis, for public employee unions for public school districts. Mr. Romero stated the setting for the salary resolution before the Commission was a very familiar pattern to him, where the negotiations took place over a period of several months and the negotiators representing the Agency were given and followed directions from the Commission and entered into labor agreements that the Commission had approved. The potential financial crisis of City government and the Agency was well known to the Commission throughout the labor negotiations process. Mr. Romero stated he thought that responsible proposals were made, and did not think that the salary increases that had been agreed to compared to those made in prior years, and there had been significant concessions from the part of the labor unions in the face of the fiscal crisis. Mr. Romero stated the Commission was well aware of the two failed ballot measures to increase taxes during the deliberations on the labor agreements, and that there could be fiscal ramifications resulting from their non-passage. Mr. Romero stated the Agency had the vehicles to make adjustments, whether it be layoffs or renegotiations with the labor unions, but that it was not appropriate at this time to renege on the direction that the Commission had gone. Mr. Romero stated he certainly supported the employees, but more importantly, he wanted to support the people that represented the Agency in the labor negotiations, and they would be totally stabbed in the back if the Commission did not approve the salary resolution because the Commission had agreed to provide the salary increases as part of the approved labor agreements. Mr. Romero stated that should a fiscal crisis emerge, the Agency would have the opportunity to make adjustments, but at the present time, everything was speculative. Mr. Romero stated he would support the salary resolution before the Commission.

Commissioner Singh stated that two or three months ago when the labor agreements were being negotiated, the fiscal environment was very different than the present time. Mr. Singh recalled the Mayor had recently announced the layoff of about 300 City employees because the two ballot measures (tax increases) did not pass, and the Agency should feel fortunate that it did not have to lay people off, but instead was proposing salary increases.

Commissioner King stated he would prefer if the matter was tabled because the rest of the City employees had already made concessions and he did not like to vote against the salary resolution, but he wanted to wait until the Agency heard what the rest of the City was going to do with proposed additional cuts. Mr. King stated that nurses in the City were going to be laid off as well as other City departments. Mr. King stated that staff put him in a position to vote against the salary resolution and the labor unions, but this time he could not support the recommended salary resolution.

Commissioner Yee stated that tabling the matter was a good idea until the Agency heard from the Mayor's administration about potential budget cuts. Mr. Yee stated he would meet with the Mayor or his staff to get advice on the matter.

President Romero asked if there was any concrete notion that the failure of the two tax measures would have any significant impact on the Agency's budget.

Executive Director Rosen stated that staff was in discussion with the Mayor's budget office and that there was currently no specific proposal for the Agency. The salary resolution before the Commission was modeled after the labor agreements, which themselves were modeled after the City's labor agreements, and the City passed their salary resolution at the time the City's budget was adopted. Ms. Rosen explained that the Agency's labor agreements trailed those of the City's, and because of this, the Agency's labor negotiations were not concluded until the Agency was into the current fiscal year, and due to medical problems of the Agency's Human Resources Manager and the timing of signing the labor agreements, there was a delay in getting the salary resolution before the Commission. Ms. Rosen stated if there were adjustments to be made, staff would bring such proposals before the Commission, and reiterated that the salary resolution incorporated the Agency's approved budget as well as the approved labor agreements and the Mayor's office did not currently have any proposal before the Commission.

President Romero stated he recalled that previously, the salary resolution was adopted in July or around the beginning of the fiscal year, and asked if the salary resolution before the Commission was for the current fiscal year (2004-2005). Mr. Romero asked if there were any prohibitions from layoffs during the terms of the labor agreements and would there be a way for the Agency to address any significant shortfall that might occur before the Commission considered the next salary resolution or the approval any collective bargaining agreement, specifically staff layoffs.

Executive Director Rosen stated the salary resolution was for the current fiscal year and it also had a provision enabling it to be adjusted consistent with the labor agreements that were agreed to, which had the same provisions that the City's labor agreements have with respect to the timing of the two percent increases. If those labor agreements were amended or there were changes, then the salary resolution would automatically reflect those changes. Ms. Rosen pointed out that there was no authority within the salary resolution to change any salary from the agreed upon labor negotiations salaries. Ms. Rosen stated there were provisions related to the meet and confer process with the labor organizations if there were to be layoffs, but at present, there were no proposals for layoffs. Ms. Rosen stated that the labor agreements specified the process to deal with staff layoffs, which the Agency would comply with should layoffs be necessary.

President Romero asked if there was any reason to believe that delaying action on the salary resolution would produce information that would significantly affect the Agency's ability to meet the terms of the salary resolution.

Executive Director Rosen stated she did not believe delaying action on the salary resolution would affect the Agency's ability to meet the terms of the salary resolution, because any change would not be in the salary resolution as it only set forth the formulas that were agreed upon for the positions. Even if there were changes to the Agency's budget, it would not affect the terms of the salary resolution

because the salary resolution included the salaries for all Agency positions, even those positions that were not in this year's budget. The salary resolution set the salaries consistent with the labor agreements for what those salaries would be if those positions were filled. Ms. Rosen reiterated that the salary resolution was not an appropriation or authorization of any kind to spend money.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, THAT ITEM 4 (d) RESOLUTION NO. 131-2004, ESTABLISHING CLASSIFICATIONS OF POSITIONS AND COMPENSATION FOR THE AGENCY STAFF FOR FISCAL YEAR 2004-2005 AND ESTABLISHING AUTHORITY FOR APPOINTMENT TO AND VACATION FROM POSITIONS UNDER SAID CLASSIFICATIONS AND OTHER MATTERS, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Palamountain

Ms. Sexton

Mr. Yee

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. Singh

AND THE FOLLOWING ABSTAINED:

Mr. King

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES, ONE (1) NAY, AND ONE (1) ABSTENTION.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 131-2004 WAS ADOPTED.

4 (e) Workshop on status of conditions to closing escrow under the Phase I Disposition and Development Agreement with Lennar/BVHP, LLC; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne Sakai, Jose Campos (Agency staff), Karen Alschuler

(SMWM Architects)

Speakers: Scott Madison, Ms. Kevyn Lutton, Willie Ratcliff

Commissioner Palamountain stated that Ms. Amy Brownell from the Department of Public Health was not at the meeting, but she had been very helpful to Ms. Palamountain on the environmental issues at the Shipyard, and asked staff to follow-up on the infant mortality issue. Ms. Palamountain stated as she reviewed the environmental document, she noted that part of the potential outline for the dump on Parcel E that went to the hillside portion of Parcel A, and asked staff to provide her with an overlay map of the outside line indicated on the environmental document with the land use map, so that she could see what specific land use would go over the area of the proposed dump on Parcel E. Ms. Palamountain requested a copy of the Design for Development comparison charts between the original 1997 Design for Development and the 2004 proposed amendment. Ms. Palamountain stated she wanted to clarify with regard to the membership of the Citizens' Advisory Committee (CAC), that the Agency was not the appointing entity and it was the Mayor that appointed members to the CAC. Ms. Palamountain thanked staff for the documents provided to the Commission, but because they were provided only at the Commission meeting, she did not have enough time to review the voluminous documents and may have questions as she completed her review. Ms. Palamountain stated she assumed that the Commission would be asked to approve a vertical Disposition and Development Agreement (DDA) in the future as well as the closing of escrow, and requested staff to provide a chronology of actions the Commission was expected to take. In addition, Ms. Palamountain requested staff to provide redlined documents to facilitate Commission review.

Ms. Joanne Sakai, Deputy Executive Director for Community and Economic Development, stated that staff anticipated receiving the Navy's tender of Parcel A within a week, and at the following Commission meeting, the Commission would be asked to find that the environmental conditions on Parcel A would be appropriate for unrestricted residential uses, based upon the "white paper," which had been finalized based upon the concurrence from all parties, including the City's environmental regulators. Ms. Sakai stated staff anticipated that it would take through the end of November to receive title for Parcel A from the Navy. During that time, the CAC would continue its review of the same documents provided to the Commission. Ms. Sakai stated between now and January 2005, staff anticipated bringing to the Commission the following items for its consideration: (1) approval of the transfer of title for Parcel A, (2) bond documents, and (3) Board of Supervisors' ordinances. Ms. Sakai stated that the Commission would not be asked to approve other transactions

until it had made a finding that the DDA conditions to the close of escrow had been satisfied and approve the transfer to Lennar/BVHP. Following that, staff was looking at the final actions to authorize issuance of the Mello-Roos bonds to finance the infrastructure development, in February 2005.

4 (f) Workshop on status of Agency's Affordable Homeownership Portfolio; all Redevelopment Project Areas

Presenters: David Sobel (Agency staff)

Speakers: Mary Rogers

Commissioner Palamountain stated she wanted to thank Mr. David Sobel and the Housing staff for what was obviously an incredible amount of work and the presentation was not just an exercise, but one that changed her from being uncomfortable with the Agency's Homeownership Program and reluctant to move forward with more homeownership projects, to really understanding what the Agency's outside liability was, and that the Agency could indeed create a program that did not lead to fiscal irresponsibility or exposure beyond the Agency's capacity. Ms. Palamountain stated she believed the Agency's program could in fact provide real opportunities for people to participate in a limited equity model that enhanced their ability for homeownership. Ms. Palamountain stated she felt so much more comfortable with the program and really appreciated staff's efforts, and thought that the workshop was one of the best presentation she had seen since becoming an Agency Commissioner. Ms. Palamountain stated she wanted to encourage staff to take the presentation out to the community to provide more understanding about the program, as well as to affordable housing conferences because it was a very clear explanation of the public policy objectives that could be achieved for affordable housing development. Ms. Palamountain complimented and congratulated staff for an excellent presentation.

President Romero stated it was the first he had come close to understanding the homeownership program because the Commission only had bits and pieces of the whole program in the past. Mr. Romero stated he appreciated staff's hard work and complimented them on an excellent presentation. Mr. Romero added that his policy concerns were addressed and he was now in a position to be supportive of the program given the comprehensiveness of the presentation. Mr. Romero agreed that the presentation should be taken to the community because it would really be helpful for people to understand the details of the program.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Keith and Delaine Carlisle, Victor Marquez

7. REPORT OF THE PRESIDENT

- President Romero stated he would request the Executive Director through the Agenda setting process, to calendar at the next Commission meeting or soon thereafter, an item for the Commission's consideration of a rescission of an action the Commission took at its October 19, 2004 meeting regarding an award of a Personal Services Contract to Personal Protective Services to provide security services at the Hunters Point Shipyard. Information had come to light that there may have been some irregularities in the selection process that led the Commission to approve the contract. Mr. Romero stated unless there was objection from Commissioners, he would like the matter calendared for the next Commission meeting.

Commissioner Yee stated he objected to the President's suggestion to calendar a rescission of the Commission's award of the Personal Protective Services contract.

- President Romero stated that it would not be appropriate for the Commission to discuss the merits of the proposed rescission at that time.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reported she was honored to attend a press conference earlier in the day held by the EPA Region IX, where they publicly announced and presented the Agency with two checks. As the Commission knew, the Agency was awarded two EPA Brownfields grants, one for \$200,000 for site remediation of Parcel 732-A, and another \$200,000 for site assessments for four of the Octavia Boulevard housing parcels. Young Community

Developers, on their own, also received a \$150,000 Brownfields Training Award that would enable them to continue to provide training for environmental remediation.

- Update on various plan adoption and plan amendment for various project and survey areas: At the Mayor's request, would meet with Mr. Dean Macris, the interim Planning Director to discuss coordination of plan adoption and amendment work. The State Housing and Community Development had recently certified the City's Housing Element, which was a precondition to proposed plan adoption and amendment. Ms. Rosen stated she hoped to have a plan adoption schedule prepared for the Commission's review.
- Ms. Rosen informed the Commission that staff had scheduled two additional workshops on the conditions to closing escrow to the DDA for the Hunters Point Shipyard.
- November 13, 2004, 9:00 a.m. to 2:00 p.m., at the Burnett Child Development Center Auditorium, 1520 Oakdale Avenue, Hunters Point Shipyard community meeting and working breakfast to further discuss the conditions to closing escrow to the DDA for the Hunters Point Shipyard. Agency contact person: Gaynell Armstrong, 749-2593.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Yee stated he thought it was unusual for the President to propose calendaring an item to rescind the previously adopted contract for Personal Protective Services (PPS) and that it was not appropriate. Mr. Yee recalled that the Commission voted five to one to award the contract and it was he who asked most of the questions about the selection process. Mr. Yee stated he asked what the selection panel's vote was and recalled that it was unanimous for PPS. Mr. Yee stated there was something suspicious and that he would inform the Mayor's office of the issue, because the proposed rescission seemed unfair after the Commission had already awarded the contract. Mr. Yee asked if staff had an explanation for the ambiguity of the question in the RFQ, which asked if the contractor had any prior or pending proceedings, legal actions, etc., because the question did not specify a time frame.
- President Romero stated he would not disallow Commissioner Yee to make statements, but wanted to point out that the reason for suggesting the rescission matter to be calendared was to have the discussion openly with proper public notice, with an opportunity for PPS to be in attendance and

people from the Hunters Point community to hear Commissioners' comments and to address the Commission. Mr. Romero stated he was concerned that Commissioners' comments and questions might lead to the substance of the matter, which would not be appropriate since the item was not on the current agenda.

- Commissioner Yee stated he had the right to ask questions of staff on a very unusual suggestion by the President to rescind a previously adopted item. Mr. Yee stated he was suspicious with the 180-degree turn on the award of the contract to PPS. Mr. Yee stated it was not fair to the public or the Commissioners and suggested a closed session meeting on the matter. Mr. Yee stated maybe staff made a mistake in the selection process, but that was something the Commission could further discuss.
- President Romero stated he did not know if staff made a mistake and that he was not changing his mind and merely wanted the opportunity to have a presentation from staff, hear from the public and PPS.
- Commissioner Yee asked what staff meant with the word "prior," if it meant five, ten or twenty years, because without the time frame, the question on the RFQ was ambiguous.

Executive Director Rosen stated she would not give the Commission a legal interpretation of the plain English language, but reminded that it was the Commission, in its review of the boilerplate RFQ, that asked for there to be full disclosure language requiring applicants to put the information so that the Commission would have it when considering contracts. Ms. Rosen stated the question requiring disclosure of all prior and pending legal actions was in the RFQ, and the response given by PPS was "no," and that the applicant had affirmed the response under penalty of perjury. Ms. Rosen stated she believed that this failure to disclose was material information that the Commission should have in its hands and that was why she prepared the informational memorandum. Ms. Rosen stated she wanted to be very clear that this was not a failure of staff to review information, but was a statement from an applicant that answered "no" to specific questions without any qualifications, and then signed under penalty of perjury, that the disclosure information was true. Ms. Rosen stated she believed that the information was pertinent for the Commission to have and that staff was not making decisions, but rather, was simply providing information to the Commission.

- Commissioner Yee stated he wanted to clarify that he was not accusing staff of making mistakes and what he was trying to do was to find out exactly what transpired that led to the President's suggestion. Mr. Yee stated he believed that the procedure of the President making the suggestion was improper, in his judgment.

- Commissioner Sexton announced that was her last Commission meeting (November 9th) and that she resigned from the Commission a month ago. Ms. Sexton stated she came to the meeting with a heavy heart because she had enjoyed and appreciated her experience with staff tremendously, because she took a lot of pride in what staff did and really appreciated staff's incredible work. Ms. Sexton stated she had always been uncomfortable with being a Commissioner because she was a worker who enjoyed putting the documents and the deal together. Ms. Sexton stated she wanted to thank staff and the Commissioners from the bottom of her heart and that she would miss everyone. Ms. Sexton wished everyone good luck.
- Commissioner Singh stated he was shocked at the news of Commissioner Sexton's departure from the Commission and asked the Commission Secretary to plan a party for Ms. Sexton.
- Commissioner King stated he had a lot of differences with Commissioner Sexton, but he hated to see her go because she stood behind her beliefs. Mr. King thanked Ms. Sexton for her service and wished her good luck, and agreed that there should be a party for Ms. Sexton.

10. CLOSED SESSION

(a) Pursuant to Government Code Section 54956.8 to instruct the Agency's real property negotiators with respect to price and terms of payment. The property is Agency Parcels 707-A, 726-A, 731-A, 749-C, 750-A, and a portion of Ellis Street within the Western Addition Redevelopment Project Area A-2 and the party with whom the Agency may negotiate is The Laramar Group LLC. Agency negotiators: Marcia Rosen, Joanne Sakai, Nicole Franklin, Tracie Reynolds and Denise Blades.

(b) Pursuant to Government Code § 54956.8 to instruct the Agency's real property negotiators in connection with the negotiations of the amendment to the Disposition and Development Agreement with the Mexican Museum for Parcel CB-1-MM, the north side of Mission Street between Third and Fourth Streets; Yerba Buena Center Redevelopment Project Area. Agency negotiators: Marcia Rosen, Joanne Sakai, Amy Neches, Penny Nakatsu, Tracie Reynolds, and Judy Eng.

11. ADJOURNMENT

It was moved by Mr. Singh, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

November 16, 2004

MINUTES OF A REGULAR MEETING OF THE

REDEVELOPMENT AGENCY OF THE CITY AND

COUNTY OF SAN FRANCISCO, HELD ON THE

16TH DAY OF NOVEMBER 2004

DOCUMENTS DEPT.

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The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of November 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Resolution No. 132-2004, Authorizing a Fourth Amendment to an Exclusive Negotiations Agreement with San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, to extend the expiration from November 30, 2004 to January 31, 2005, leading to a long term ground lease of 4800 Third Street, within the Bayview Hunters Point Redevelopment Survey Area, for the development of very low income rental housing and ground floor commercial space; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT CONSENT AGENDA ITEM 4 (a) AUTHORIZING A FOURTH AMENDMENT TO AN EXCLUSIVE NEGOTIATIONS AGREEMENT WITH SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO EXTEND THE EXPIRATION FROM NOVEMBER 30, 2004 TO JANUARY 31, 2005, LEADING TO A LONG TERM GROUND LEASE OF 4800 THIRD STREET, WITHIN THE BAYVIEW HUNTERS POINT REDEVELOPMENT

SURVEY AREA, FOR THE DEVELOPMENT OF VERY LOW INCOME RENTAL HOUSING AND GROUND FLOOR COMMERCIAL SPACE; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (b) Resolution No. 133-2004, Authorizing adoption of an Interim Purchasing Policy and Procedures, including a Small Business Enterprise Program for a 12-month period

Presenters: Chris Iglesias (Agency staff)

Speakers: Todd Lewis, Mary Rogers

Commissioner King put forth a motion to adopt item 4 (b) and stated he had been a member of the Working Group since it started and had reviewed the interim Purchasing Policy and Procedures as well as the Small Business Enterprise Program. Mr. King stated that the recommended interim program was essentially the same as the Agency's existing program and thought it was better than the Human Rights Commission.

Commissioner Dunlop seconded Commissioner King's motion to adopt item 4 (b) and thanked the Working Group for its hard work. Mr. Dunlop stated that the interim policy showed the Agency's principles and he appreciated the regular updates to the Commission and the Working Group.

Commissioner Singh stated he thought it was a good program and asked staff to expound on Mr. Todd Lewis' suggestions about the thresholds.

Mr. Chris Iglesias, Contract Compliance Manager, stated there was a lot of discussion at the Working Group meetings about the thresholds, and the Working Group recommended to keep the current thresholds where they were, but to focus on the small business to see how the policy was working and continue monitoring to determine if changes to the thresholds would be appropriate.

President Romero thanked the Working Group on its work to revise the purchasing policy and stated that it was important to watch how the policy would work during the initial stages to ensure the broadest participation possible, and encouraged everyone to monitor the program.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (b) RESOLUTION NO. 133-2004, AUTHORIZING ADOPTION OF AN INTERIM PURCHASING POLICY AND PROCEDURES, INCLUDING A SMALL BUSINESS ENTERPRISE PROGRAM FOR A 12-MONTH PERIOD, BE ADOPTED.

4 (c) Resolution No. 134-2004, Conditionally approving the amended combined basic concept and schematic design for Parcel 3 of Block N4a, a 194-unit residential project in the Mission Bay North Redevelopment Project Area, pursuant to an Owner Participation Agreement with Catellus Development Corporation; Mission Bay North Redevelopment Project Area

Presenters: Amy Neches, Tom Evans (Agency staff), Stacy Holzman (Architect)

Commissioner Dunlop put forth a motion to adopt item 4 (c) and thanked staff for a very thorough presentation.

Commissioner Singh asked what the total value of the project was, and how much had gone to minority contractors.

Ms. Amy Neches, Senior Project Manager, stated that the development cost including construction, was estimated at \$48 million.

Mr. George Bridges, Contract Compliance Specialist, stated that about \$1.4 million had been let to M/WBE for professional services. Mr. Bridges stated that the developer had not put the construction work to bid yet.

Commissioner Singh seconded Commissioner Dunlop's motion to adopt item 4 (c).

President Romero thanked staff and complimented the architects for the attractive design.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MS. PALAMOUNTAIN ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 134-2004, CONDITIONALLY APPROVING THE AMENDED COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR PARCEL 3 OF BLOCK N4A, A 194-UNIT RESIDENTIAL PROJECT IN THE MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, PURSUANT TO AN OWNER PARTICIPATION AGREEMENT WITH CATELLUS DEVELOPMENT CORPORATION; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

The Commission considered items 4 (f) and (g) on the Agenda next.

4 (f) Resolution No. 137-2004, Rescinding Resolution No. 126-2004 which authorized a Personal Services Contract with Personal Protective Services, Inc., a California corporation and authorizing a new Request for Qualifications to provide patrol and security services at the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Charles Custer, Al Norman, Sululagi Palega, Larry Lee, Nils

Welin, Dorris Vincent, Charlie Walker, Ken Nim

Commissioner Yee stated he recalled that he was the one who asked the questions about the selection process that led to the award of the contract to Personal Protective Services (PPS), specifically if staff did the background and reference checks on PPS and Ms. Nicole Franklin stated that staff did the reference checks and found no irregularities. Mr. Yee stated he recalled that the selection panel voted unanimously to recommend PPS and at the Commission meeting when the contract was awarded, a member of the public informed the Commission that PPS was the subject of numerous lawsuits. Mr. Yee stated he wondered if there was any business that had never been sued and shared that he himself had been sued as a Commissioner, so it was not unusual for a business to be the subject of litigation. Mr. Yee asked how long PPS had been in business and if staff knew the nature and severity of the lawsuits against PPS and if penalties were assessed.

Ms. Nicole Franklin, Property Management Supervisor, stated that PPS had been in business since 1989.

Executive Director Rosen stated as the informational memorandum and Ms. Franklin stated, the matter was before the Commission not because the lawsuits demonstrated a lack of capacity on the part of PPS, but staff was just informing the Commission that the response to the questions that the Commission authorized in the RFQ, which state "are there any prior or pending legal proceedings, actions, convictions or judgments that have been filed against applicant or its wholly owned subsidiaries, or any prior or pending arbitrations or mediations. If so, provide dates the complaints were filed and the present status of the litigation or the status of the arbitrations or mediations," was responded to by the respondent with "no." Obviously, there was opportunity for the respondent to provide information indicating the nature of the lawsuits, the resolution or why the lawsuits should not be of concern to the Commission, but the respondent answered "no" under penalty of perjury. Ms. Rosen stated staff was not suggesting to the Commission that there was something about the lawsuits that may impugn the ability of the contractor to perform or suggesting that if the lawsuits were meritorious. Rather, staff was simply informing the Commission that the disclosure questions the Commission authorized were not answered fully, as demonstrated by the information provided from the U.S. District Court and San Francisco Superior Court, which together listed 16 lawsuits.

Commissioner Yee thanked the Executive Director for the explanation and stated he would like the Commission to review the RFQ in the future, because the questions in the RFQ were ambiguous and should contain a time limit. Mr. Yee stated he recalled that he had suggested a seven-year time limit.

Executive Director Rosen stated she believed it was Commissioner Yee who suggested a change in the disclosure question, where the prior boilerplate RFQ had a five or seven year time limit, and believed that it was on Commissioner Yee's motion to take the time limit out, so there would be full disclosure. Ms. Rosen added that on July 30, 2004, the Commission was provided with an informational memorandum that included a full copy of the security services RFQ, and there were no comments or questions from any of the Commissioners.

Commissioner Yee stated he was disappointed with the way the matter was handled because PPS was unanimously recommended by the selection panel among 21 applicants, and certainly staff took a lot of time to review all of the responses to the RFQ. Mr. Yee stated in spite of the unanimous recommendation, staff was now proposing to reverse the Commission's award of the contract. Mr. Yee stated he was not saying that staff made a mistake, but pointed out that staff was not always right, because he had seen signs of favoritism on other issues in the past. Mr. Yee reiterated that it was staff that recommended the selection of PPS, which the Commission followed and awarded the contract, and now staff was reversing its recommendation. Mr. Yee stated staff should have informed the Commission first before calendaring the rescission.

Commissioner Yee put forth a motion to continue item 4 (f) to the December 7th Commission meeting.

Commissioner Dunlop put forth a motion to adopt item 4 (f). Mr. Dunlop stated that the issue was not about local hiring as some of the public testimony indicated, and it was not about the qualifications of PPS, as the Commission was not making any judgment on that. Mr. Dunlop stated the issue was about consistency of applying Agency procedures and there were no ambiguities with the words "any prior" because that meant just what it said, and he did not believe that the contractor did not understand the disclosure question. Mr. Dunlop stated it was clear that PPS had numerous lawsuits against it and whether they were at fault or not, was not the issue, but rather that they put forward an incorrect response to the RFQ. There was no question about that and to be consistent with Agency procedures, the Agency needed to move forward with someone else. Mr. Dunlop asked if a new RFQ was required to be reissued or could the Agency start where it left, without PPS.

Executive Director Rosen stated staff was recommending the cleanest way was to reissue the RFQ in order to safeguard the integrity of the process, and since the selection committee had relied on the statements provided by applicants under penalty of perjury, the selection would have to be reviewed.

Commissioner Singh stated he was puzzled with how staff did not do its job in reviewing the applications to the RFQ. Mr. Singh recalled earlier testimony from City Commissioners (Mr. Sululagi Palega and Mr. Larry Lee) about the great job that PPS had done for the Housing Authority and wondered how PPS was hired if they were not qualified. Mr. Singh called for a show of hands from the audience of who was in support of the rescission and those in support of PPS. Mr. Singh seconded Commissioner Yee's motion to continue item 4 (f) to the December 7th Commission meeting.

Commissioner King stated he was in favor of the staff recommendation to rescind the previous award of the contract to PPS and to reissue a new RFQ. Mr. King stated he was supporting staff's recommendation and noted that McCoy's Patrol Service had been providing security services at the Shipyard for five years and the Commission had not heard any complaint about their services. Mr. King seconded Commissioner Dunlop's motion to adopt item 4 (f).

Commissioner Palamountain stated she was opposed to the motion to continue the matter because she had not heard any reason about why the Commission would have any more information that would help the Commission make its decision.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, THAT ITEM 4 (f) RESOLUTION NO. 137-2004, RESCINDING RESOLUTION NO. 126-2004 WHICH AUTHORIZED A PERSONAL SERVICES CONTRACT WITH PERSONAL PROTECTIVE SERVICES, INC., A CALIFORNIA CORPORATION AND AUTHORIZING A NEW REQUEST FOR QUALIFICATIONS TO PROVIDE PATROL AND SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE CONTINUED

TO THE COMMISSION MEETING OF DECEMBER 7, 2004, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Singh

Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Mr. Dunlop

Mr. King

Ms. Palamountain

Mr. Romero

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, TWO (2) AYES, AND FOUR (4) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION FAILED.

Commissioner Palamountain stated she disclosed to the Commission Secretary the day before a discussion with Mr. Sam Teets of Personal Protective Services in which Mr. Teets indicated that he could appreciate the disclosure questions in the RFQ and that the word "prior" meant at least 10 to 15 years prior. Ms. Palamountain stated she and Mr. Teets had a frank discussion about inquiries to security job applicants of prior convictions and he would expect the same kind of forthrightness in answering the question. Ms. Palamountain stated she did not believe that the issue had to be built up into a battle of ill will or bad actions, because she thought there was an unclear RFQ process and it made sense to reissue a new RFQ. Ms. Palamountain stated in her conversation with Mr. Teets, he agreed it was important to have trust among the parties in a security contract and he understood the Agency's concerns. Ms. Palamountain stated she assured Mr. Teets that if PPS chose to participate in a new RFQ, she would view them in a light that there was a simple misunderstanding, and would be viewed no less and no greater than any other applicant. Ms. Palamountain stated she would support the rescission item so that the Agency could move forward with providing security services at the Shipyard.

President Romero requested verification that PPS could respond to a new RFQ.

Executive Director Rosen affirmed that PPS could respond to a new RFQ.

President Romero stated he recalled previously stating that he was not surprised to hear that PPS had been the subject of lawsuits, and there was no reason to hide that fact from the Agency, and whether answers to the disclosure questions were intentional or not, the issue was not about the merits of the lawsuits, but PPS had to be open about such issues, given the type of business it was engaged in. Mr. Romero stated he recalled PPS lawyer's testimony that there was a mistake about judgments and convictions, but the disclosure questions were not just limited to judgments and convictions, but also pending legal proceedings and actions against PPS. Mr. Romero stated it was hard to miss that there had been 16 lawsuits against PPS since 1977, and the Agency had a process to protect because it contracted with many contractors and the Agency could not simply ignore a discrepancy of this seriousness once discovered. Mr. Romero stated the Commission had to take the action to rescind the previously awarded contract. PPS can respond to the reissued RFQ, compete with everyone else, and have the opportunity to explain the answer it provided to the disclosure question, and staff would take that into consideration. Mr. Romero stated his support for the rescission.

Commissioner Yee asked staff to provide the Commission with information on the other 20 respondents to the RFQ on their answers to the disclosure questions.

Executive Director Rosen stated she did not have the information readily, but would report back to the Commission.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. KING, THAT ITEM 4 (f) RESOLUTION NO. 137-2004, RESCINDING RESOLUTION NO. 126-2004 WHICH AUTHORIZED A PERSONAL SERVICES CONTRACT WITH PERSONAL PROTECTIVE SERVICES, INC., A CALIFORNIA CORPORATION AND AUTHORIZING A NEW REQUEST FOR QUALIFICATIONS TO PROVIDE PATROL AND SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Mr. King

Ms. Palamountain

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Mr. Singh

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, AND TWO (2) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 137-2004 WAS ADOPTED.

4 (g) Resolution No. 138-2004, Authorizing a Fifth Amendment to the Personal Services Contract with McCoy's Patrol Service, a California corporation, for interim security services at the Hunters Point Shipyard to extend the contract for a term not to exceed six months, from October 1, 2004 through March 31, 2005 and increase the contract amount by \$150,000 for a total aggregate amount not to exceed \$880,000; Hunters Point Shipyard Redevelopment Project Area

Presenters: Nicole Franklin (Agency staff)

Speakers: Dorris Vincent, Angelo King

Commissioner King put forth a motion to adopt item 4 (g).

Commissioner Singh seconded Commissioner King's motion to adopt item 4 (g) and asked why the contract was beginning on October 1st.

Executive Director Rosen stated the contract amendment was retroactive to October 1st because the existing contract was until September 30th in anticipation of letting out a new security services contract.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR SINGH, AND UNANIMOUSLY

CARRIED THAT ITEM 4 (g) RESOLUTION NO. 138-2004, AUTHORIZING A FIFTH AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH MCCOY'S PATROL SERVICE, A CALIFORNIA CORPORATION, FOR INTERIM SECURITY SERVICES AT THE HUNTERS POINT SHIPYARD TO EXTEND THE CONTRACT FOR A TERM NOT TO EXCEED SIX MONTHS, FROM OCTOBER 1, 2004 THROUGH MARCH 31, 2005 AND INCREASE THE CONTRACT AMOUNT BY \$150,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$880,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

The Commission resumed discussion of items 4 (d) and (e) on the Agenda.

4 (d) Resolution No. 135-2004, Adopting environmental findings pursuant to the California Environmental Quality Act and authorizing the Executive Director to accept the Navy's tender of Parcel A of the Hunters Point Naval Shipyard; Hunters Point Shipyard Redevelopment Project Area

4 (e) Resolution No. 136-2004, Authorizing the Executive Director to execute and submit to the Board of Supervisors of the City and County of San Francisco a Joint Community Facilities Agreement for infrastructure; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne (Agency staff), Michael Cohen (MOEWD)

Speakers: Marcia Dale-Le Winter, Dr. George Davis, Scott Madison, Linda

Richardson, Rev. Arnold Townsend, Charlie Walker, Darnell Ingram, Azalia Merrell, Jim Salinas, Sululagi Palega, Oscar James, Saul Bloom, Olin Webb, Rev. Edgar Boyd, Lamar Baker

Commissioner Yee commended Mr. Michael Cohen for a concise and excellent presentation. Mr. Yee stated he and his fellow Commissioners had been looking forward to this juncture in the development of the Shipyard and he was happy to see the Navy's tender of Parcel A to the Redevelopment Agency. Mr. Yee stated he noticed for the first time that Parcel A was designated in two parcels, A-1 and A-2, and asked for clarification.

Executive Director Rosen pointed to the attached colored map in the environmental documents that identified Parcel A East and Parcel A West and stated that was done to demarcate the geographic location of Parcel A.

Commissioner Yee stated he had received a telephone call from the Mayor's Office regarding the toxic issues in the Shipyard. Mr. Yee stated that with all the environmental certifications in place, the development of the Shipyard could proceed and the Commission looked forward to the first building being constructed on Parcel A. Mr. Yee put forth a motion to adopt item 4 (d).

Commissioner Singh congratulated staff and the Mayor's Office for their hard work and seconded Commissioner Yee's motion to adopt item 4 (d).

Commissioner King stated he wanted to acknowledge the hard work of Mr. Alex Pitcher, who he worked with for five years and it was Mr. Pitcher who worked tirelessly to bring the Hunters Point community together. Mr. King stated he was happy to see the progress that had been made and the Shipyard should move forward. Mr. King lent his support for the items.

Commissioner Palamountain stated this was the first step in a long series of steps for the Shipyard. Ms. Palamountain stated the primary concern with Parcel A particularly after development had taken place, was the airborne particles that could migrate onto Parcel A during the cleanup of the remaining parcels. Ms. Palamountain stated that although it was not certain when cleanup of neighboring parcels was scheduled, she asked if there was a plan in place to monitor possible migration of airborne particles from the cleanup of the other parcels onto Parcel A that could affect workers or residents.

Ms. Amy Brownell of the Department of Public Health, stated she wanted to reiterate that Parcel A was clean and safe for transfer and the parcels surrounding Parcel A, which had been looked at by the Navy and the City's regulators, were deemed to be clean. The landfill was a perfect example where even though gasses were emanating from it, they were controlled and were not impacting Parcel A. Ms. Brownell stated when the Navy starts its remediation plans on the surrounding parcels, they cannot just start the remediation process without going through the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) process, which included a long process of developing remediation plans, health and safety plans for the workers, tenants and nearby residents, plus specific remediation plans for the work they would undertake, and all of those plans would go through a thorough review process by the Navy, all of the regulators, and the community. Ms. Brownell stated she would also continue her 11-year involvement throughout the remediation of the surrounding parcels and pointed out that all of the agencies involved would have to approve all of the remediation plans and when the Navy completes the Remedial Investigation Feasibility Study for a particular parcel, it would go out for public comment, so there would always be opportunity for public input. Ms. Brownell stated that the agencies would also have enforcement capabilities, including the Department of Public Health nuisance authority for any migration of airborne particles in addition to the Bay Area Air Quality Management District's nuisance authority. Ms. Brownell stated staff felt confident with all of the mechanisms in place that any remediation work would not impact Parcel A. Ms. Brownell added that the collaborative relationship between all parties involved also provided for independent testing should that become necessary.

Commissioner Palamountain stated the City team should also remain vigilant along with the CAC and members of the Regional Advisory Board who had worked countless hours on the Shipyard. Ms. Palamountain stated that with all of the processes in place, she was comfortable with the transfer of Parcel A, particularly with the \$25 million of pollution liability insurance policy for Parcel A. Ms. Palamountain stated she anticipated that there would also be the opportunity to procure such insurance for the other parcels. Ms. Palamountain stated Ms. Brownell advised her that the Department of Public Health would charge the developer for Article 31 compliance, but she still had some questions about the complicated formulas relating to the developer's profit and would reserve her questions at a future Commission meeting. Ms. Palamountain stated the other reason for her level of comfort in supporting the transfer of Parcel A was a conversation Ms. Brownell directed her to Dr. Bhatia of the Department of Public Health regarding concerns with infant mortality. Ms. Palamountain stated that according to Dr. Bhatia, if the City was concerned with health in the Bayview, that before worrying about the cleanliness of the Shipyard parcels, the City may want to look at substandard housing and lack of employment opportunity, violence and the lack of a grocery store in the Bayview. Ms. Palamountain stated Dr. Bhatia's statements made her realize that she had been myopic with her concerns with the environmental cleanup and that the Agency would have an opportunity as it went forward with the development of the Shipyard, to look at opportunities and ways to help mitigate the harmful effects of past Shipyard pollutions on current and past residents of the Bayview Hunters Point area. Ms. Palamountain thanked Ms. Brownell for directing her to Dr. Bhatia and for her time explaining the intricacies of the environmental cleanup. Ms. Palamountain requested the Agency to continue work not only with the community, but also with the Department of Public Health in developing a health impact assessment and to take the environmental steps and progress that had been made into the next phase for the Shipyard. Ms. Palamountain stated she was happy to support the transfer of Parcel A and remained committed to the considerable work that had to be done.

Commissioner Dunlop stated he was certainly in support of the transfer of Parcel and although he did not have a lot faith in the Navy, the Agency had been presented with a letter from the Navy tendering Parcel A. Mr. Dunlop thanked Mr. Michael Cohen for the excellent presentation, to Ms. Amy Brownell for all her hard work, Agency staff including Mr. Don Capobres who no longer worked for the Agency, the CAC and Mr. Scott Madison for lots of hours of hard work. Mr. Dunlop stated he had the same environmental concerns as Commissioner Palamountain, but became more comfortable with the safeguards that had been put in place. Mr. Dunlop stated that as the journey continued for the Shipyard, he looked forward to among other things, the economic development opportunities for the Bayview Hunters Point community.

President Romero added his congratulations to the City and Agency staff, the CAC and the community for all the hard work. Mr. Romero remarked that the community had done so much more work than he had to do, and thanked everyone for the momentous occasion.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 135-2004, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND

AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT THE NAVY'S TENDER OF PARCEL A OF THE HUNTERS POINT NAVAL SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 136-2004, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AND SUBMIT TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO A JOINT COMMUNITY FACILITIES AGREEMENT FOR INFRASTRUCTURE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (h) Workshop on the proposed affordable housing development program for Agency-owned Central Freeway parcels: G, K, O, Q, and U; Citywide Tax Increment Housing Program and Western Addition A-2 Redevelopment Project Area

Presenters: Kate Hartley (Agency staff)

Speakers: Supervisor Bevan Dufty, Patricia Walkup, John L. Darby, Mary

Rogers, Jan Faulkner, Ramona Davies, Matile Rothschild, Alexander Hines, Marty Low, Hadley Hall, Marcy Adelman

Commissioner Singh welcomed Supervisor Bevan Dufty to the meeting and thanked him with applause for coming. Mr. Singh stated he wanted to thank Supervisor Dufty for educating him because he was not aware that 25% of the senior population represented lesbian, gay, bisexual and transgender (LGBT) seniors. Mr. Singh asked if the Agency could designate Parcel O for LGBT seniors.

Executive Director Rosen stated that generally, the Agency would not specify a parcel for a particular end user because fair housing laws prohibited the Agency from doing so. Ms. Rosen stated the Agency used housing types such as family or senior housing in designating parcels for housing development. The only exception was the HUD-financed Housing Opportunities for Persons With AIDS (HOPWA) program, which was specifically targeted for people living with AIDS.

Commissioner Singh asked if Parcel O could be designated for senior housing development, instead of specifically for LGBT seniors.

Executive Director Rosen stated the Agency could designate Parcel O for senior or

family housing development, but reminded the Commission that this was a workshop and the Commission was not being asked for a designation. Ms. Rosen stated Agency staff had been working closely with the Mayor's Office Housing and Mayor's Office of Economic Development to use the public parcels to meet a variety of housing needs. Ms. Rosen stated the Board of Supervisors designated the first two parcels (Parcels A and C) for senior housing development, which were now under development for over 200 senior housing units. When staff was working with the Mayor's Office to suggest a housing program for the other Central Freeway parcels, staff took into account that the two large parcels (Parcels A and C) had already been designated for senior housing development, therefore looked at other unmet housing needs and what types of housing would be economically and physically feasible. Ms. Rosen stated that no final decision was being made at the workshop and staff would continue to work with the community, the Mayor's Office, and neighborhood groups to evaluate feasibility of uses in the future and would take the guidance from the Commission.

Commissioner Singh stated the City could always use more senior housing and there was no harm in designating another parcel in addition to Parcels A and C for senior housing development. Mr. Singh put forth a motion to designate Parcel O for senior housing development.

President Romero stated that Commissioner Singh's motion was out of order because the matter was not properly noticed and would violate the Brown Act.

Commissioner Singh restated his motion to place on a future Commission meeting the designation of Parcel O for senior housing development.

Commissioner Yee seconded Commissioner Singh's motion. Mr. Yee stated it was good to see Supervisor Bevan Dufty, who in his opinion was one of the most dedicated and eloquent Supervisors in the City. Mr. Yee stated that the Commission would make the final decision on the matter after hearing from the public, and he, as well as Commissioner Singh and others, would be there to support a worthy project such as Open House. Mr. Yee stated that Parcel O was one of the biggest parcels with over 36,000 square feet, and a lot of uses could be accommodated on it, including senior and family housing. Mr. Yee stated that the Commission existed to serve and help the citizens of San Francisco.

Commissioner King stated he agreed with Commissioners Singh and Yee on their motion to place on a future Commission meeting the designation of Parcel O for senior housing development. Mr. King stated he was a senior himself and was 81 years old and appreciated what the LGBT seniors were advocating. Mr. King stated he was fortunate to have a daughter he could stay with or he would be in the same situation as other seniors. Mr. King shared he recently had hip-replacement surgery and now had to work on his knee, so he understood what the seniors were talking about. Mr. King stated he would support the motion to consider the designation of Parcel O for senior housing development.

Commissioner Palamountain stated there was no Commissioner who would oppose housing on the basis of the group for seniors and for the LGBT senior specifically, because the remarkably diverse Agency Commission had reaffirmed multiple times its commitment to the diversity of the community. Ms. Palamountain stated she thought there were some dangers in pushing the matter forward for a quick decision on the designation of the parcels. Ms. Palamountain stated the first danger was that the designation involved two large parcels (Parcel O and P), and secondly, the Commission had determined to provide a full range of housing needs for San Francisco in the development of the Octavia Boulevard parcels. Ms. Palamountain stated there was earlier testimony when the Commission was considering the Hunters Point Shipyard matters, where everyone including people from Project Open House, heard compelling testimony about providing family housing and the City must meet the needs of the full range of the community. Ms. Palamountain stated when the Agency developed affordable rental housing, it attempts to meet a very low income standard, usually at 50% of the Area Median Income, which equated to a very low rental rate, and she was concerned and did not know if the proposed Open House project would attain a deep level of affordability equal to 50% of the Area Median Income. In addition, funding of the Octavia Boulevard project and the City's infrastructure costs would come from the sale of market-rate housing units, and according to earlier conversations with Project Open House, the success and financial viability of the project depended not only on obtaining Parcel O, but also Parcel P, and the Agency was under some legal restrictions around the sale of the parcels, in that the Agency had to use the parcels for affordable housing and the City had to sell its parcel, Parcel P, to the highest bidder. Ms. Palamountain stated she recognized that obstacles could be overcome, but it was important for the Commission not to act rashly, based upon clearly what was good thoughts and good will towards Project Open House, in making a decision about Parcel O or any other parcel, without fully thinking through the potential issues that may arise. Ms. Palamountain stated the Agency had a community involvement process that it must honor and would urge all parties to work with the very capable and sensitive Agency staff to look at all available options. Ms. Palamountain stated she had one additional concern about the project competing with very scarce government funding given the Agency's long-standing relationships with the non-profit housing development community and to not upset those relationships. Ms. Palamountain stated she would like to see Project Open House come to fruition, but would like to have all parties follow a process that would ensure its success and allow the Agency to go through its process that may not provide an answer and certainty in the short term, but would in the long term.

President Romero thanked everyone who came to the meeting and stated that they made their point very well and the Commission understood. Mr. Romero stated he agreed with everything that Commissioner Palamountain stated and that Project Open House should be very deliberate with its proposal. Mr. Romero stated this was the first workshop on the parcels and thought it was premature to even schedule the matter for consideration of designation because he heard earlier testimony that the Western Addition Citizens' Advisory Committee wanted discussion and input about the project. Mr. Romero recalled that the earlier Hunters Point Shipyard items had been discussed for at least six to seven years and the Commission had to be deliberative about what decisions it made. Mr. Romero stated each parcel would have to go through its own competitive development process with community input, followed by a recommendation from staff and consideration by the Commission. Mr. Romero stated he did not know when Parcel O or the other parcels were contemplated to be brought before the Commission.

Executive Director Rosen stated the Commission it had voted on Parcels A and C, and Parcel G would come next for the Commission's consideration. Ms. Rosen informed the Commission that the Agency did not own Parcel P, which was under the City's jurisdiction, and she understood that the City would not offer the property until the environmental review and the Octavia Boulevard Plan was completed.

President Romero stated that the process should be clean and not subject to challenge and urged Project Open House to be more deliberative about its project.

Commissioner King stated he heard President Romero's statements, but pointed out that if Project Open House did not fight for its project, they may be lost in the shuffle, and they should get in touch with the CAC and other community groups and work collaboratively with them. Mr. King reiterated his support to calendar the matter before the Commission and to move forward. Mr. King stated he disagreed with the Executive Director and other Commissioners and urged the Commission to calendar the matter so there could be an open discussion about the project.

Commissioner Singh stated he agreed with Commissioner King and called for the question on his motion.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, TO PLACE ON A FUTURE COMMISSION MEETING AGENDA, AN ITEM REGARDING THE DESIGNATION OF AGENCY-OWNED CENTRAL FREEWAY PARCEL O FOR SENIOR HOUSING DEVELOPMENT, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King

Mr. Singh

Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Ms. Palamountain

Mr. Romero

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Rogers

7. REPORT OF THE PRESIDENT

- President Romero announced that the meetings in December would be held on the first and second Tuesday, December 7th and 14th. The regular (third Tuesday) meeting of December 21st would be cancelled. Mr. Romero informed that the election of officers would be scheduled for the meeting of December 14th.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen stated with regard to Mrs. Mary Rogers' comments about the Fillmore Holiday celebration, it had been coordinated in the last few years by the Promotions Office and the Fillmore Merchants Association. Ms. Rosen stated she believed the planning was already underway and she would consult with staff and report back to the Commission.
- Second community informational meeting for the proposed model block program in the Bayview, December 1st, 6:00 to 8:00 p.m., in the Alex Pitcher Community Room of the Southeast Community Facility, 1800 Oakdale Avenue. There had been one prior community meeting and a presentation at the Bayview PAC.
- Hunters Point Shipyard CAC breakfast meeting, December 4th, 10:00 a.m. to 1:00 p.m., Bayview Opera House, 4705 Third Street at Newcomb Avenue, to discuss the scope of services and selection process for a consultant to assist the CAC and community in developing the plan for the enhanced community benefits related to the development of Parcel A in the Shipyard.
- Lennar/BVHP is co-sponsoring with the Agency, a meeting for Bayview Hunters Point area contractors located in the 94107, 94124 and 94134 zip codes to discuss the redevelopment phase I in the Shipyard, including contractor qualification and assistance program. Meeting to be held on Saturday, November 20th, 9:00 to 11:00 a.m., Earl P. Mills Community Center, 100 Whitney Young Circle. For more information, contact Debra Millow at (415) 995-1770 ext. 500, or Agency staff.
- Mission Bay community meeting to discuss the planning for the open space parcels on Blocks NP4 and NP5, November 18th, 5:30 to 6:30 p.m., Mission Bay Visitor Center, 255 Channel Street.
- Alexander Residence grand reopening of 179 units of preserved low-income housing, November 17th, 4:00 - 6:00 p.m., 230 Eddy Street.
- Derek Silva Community grand reopening, November 19th, 11:00 a.m., 20 Franklin Street - independent living for people with AIDS.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 8:07 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

December 16, 2003

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF DECEMBER 2003

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 16th day of December 2003, at the place and date duly established for holding of such a meeting.

President Michelle W. Sexton called the meeting to order at 4:00 p.m. Ms. Sexton welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Michelle W. Sexton, President

Ramon E. Romero, Vice-President

Mark Dunlop

Leroy King (arrived at 4:05 p.m.)

Kathryn C. Palamountain

Darshan Singh (arrived at 4:05 p.m.)

Benny Y. Yee (arrived at 4:08 p.m. and departed at 6:13 p.m.)

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Meeting of December 2, 2003

4 (b) Resolution No. 186-2003, Authorizing a Fifth Amendment to the Disposition and Development Agreement with CB-1 Entertainment Partners LP, a California limited partnership, to modify the schedule of performance for the development of Parcel CB-1-MSC (the Connector Site) located along Yerba Buena Lane between Market and Mission Streets; Yerba Buena Center Redevelopment Project Area

4 (c) Resolution No. 187-2003, Authorizing a First Amendment to the financial adjustment factor Capital Loan Agreement with Mercy Housing XVII, L.P., a California limited partnership, in conjunction with the acquisition and rehabilitation of 68 very low-income rental units at Derek Silva Community, 1580-98 Market Street, San Francisco, California, to extend the rehabilitation completion date

4 (d) Resolution No. 188-2003, Authorizing a Second Amended and Restated Agency Payment Obligation with Mercy Housing California XVIII, L.P., a California limited partnership, and Citibank (West) FSB, to reduce the amount of the Agency's obligation from a maximum of \$6,000,000 to a maximum of \$2,590,000, plus applicable interest and other associated costs, to guarantee the payment of certain mortgage revenue bonds for the acquisition and rehabilitation of 72 units of very low-income senior rental housing at the Leland Polk Senior Community, 1301-1327 Polk Street; Citywide Tax Increment Housing Program

ADOPTION: IT WAS MOVED BY MR. ROMERO, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED (MR. KING, MR. SINGH AND MR. YEE ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: MEETING OF DECEMBER 2, 2003, 4 (b) RESOLUTION NO. 186-2003, AUTHORIZING A FIFTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH CB-1 ENTERTAINMENT PARTNERS LP, A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY THE SCHEDULE OF PERFORMANCE FOR THE DEVELOPMENT OF PARCEL CB-1-MSC (THE CONNECTOR SITE) LOCATED ALONG YERBA BUENA LANE BETWEEN MARKET AND MISSION STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, 4 (c) RESOLUTION NO. 187-2003, AUTHORIZING A FIRST AMENDMENT TO THE FINANCIAL ADJUSTMENT FACTOR CAPITAL LOAN AGREEMENT WITH MERCY HOUSING XVII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE ACQUISITION AND REHABILITATION OF 68 VERY LOW-INCOME RENTAL UNITS AT DEREK SILVA COMMUNITY, 1580-98 MARKET STREET, SAN FRANCISCO, CALIFORNIA, TO EXTEND THE REHABILITATION COMPLETION DATE, AND 4 (d) RESOLUTION NO. 188-2003, AUTHORIZING A SECOND AMENDED AND RESTATED AGENCY PAYMENT OBLIGATION WITH MERCY HOUSING CALIFORNIA XVIII, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND CITIBANK (WEST) FSB, TO REDUCE THE AMOUNT OF THE AGENCY'S OBLIGATION FROM A MAXIMUM OF \$6,000,000 TO A MAXIMUM OF \$2,590,000, PLUS APPLICABLE INTEREST AND OTHER ASSOCIATED COSTS, TO GUARANTEE THE PAYMENT OF CERTAIN MORTGAGE REVENUE BONDS FOR THE ACQUISITION AND REHABILITATION OF 72 UNITS OF VERY LOW-INCOME SENIOR RENTAL HOUSING AT THE LELAND POLK SENIOR COMMUNITY, 1301-1327 POLK STREET; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

REGULAR AGENDA

4 (e) Election of President and Vice President (calendar year 2004)

MS. PALAMOUNTAIN NOMINATED MR. ROMERO FOR THE OFFICE OF PRESIDENT. MR. DUNLOP SECONDED THE NOMINATION.

President Sexton thanked her fellow Commissioners for a productive year and stated she was eager to relinquish the presidency and looked forward to participating in the Commission's deliberations. Ms. Sexton stated her support for Commissioner Romero to be elected Commission President and urged the Commission to join her in that support.

Commissioner King stated he was against the election taking place because the Mayor-elect had not had the opportunity to give his input on the Commission officers, as did Mayor Brown who selected Commissioner Sexton to be President. Mr. King stated he believed that the Mayor-elect would be making changes to various City Commissions including the Redevelopment Agency and the Commission should wait until it heard from the Mayor-elect.

Commissioner Singh stated he agreed with Commissioner King and his preference was to delay the election until the Mayor-elect was consulted.

Commissioner Romero stated he had served the Commission through at least five elections of officers and that he had direct conversations with Mayor Brown, who always made it clear that the election of officers was a matter to be decided by the Commission, in accordance with the Agency's by-laws. Mr. Romero stated that the Mayor may have asked Commissioners to support certain Commissioners of his choice, but he (Mr. Romero) had never been asked to support a specific Commissioner. Mr. Romero stated the Agency's by-laws state that the elections of officers take place at the last regular meeting of December

and the Commission should abide by its by-laws. Mr. Romero stated he understood Commissioners King and Singh's concerns, but if the incoming Mayor had views or concerns about the election of officers or any other item on the Agency's agenda, he would inform the Commission. Mr. Romero stated that the election should proceed.

Commissioner King stated the by-laws did not specifically state that the election occur in December and that it could take place in January. Mr. King stated that he did not have a problem with Commissioner Romero's nomination and would in fact vote for Mr. Romero, but the Commission should wait until the incoming Mayor had provided his input.

Commissioner Singh stated that as a courtesy to the incoming Mayor, the election should be delayed. Mr. Singh recalled that Mayor Brown asked him to support Commissioner Sexton as Commission President and that there was one other previous time when the Mayor asked him to support another Commissioner. Mr. Singh stated he believed that Commissioner Romero was the best candidate for President because he had served as Vice-President two previous times and would be a good President, but he would not vote for Commissioner Romero if the election was not delayed in order to extend courtesy to the incoming Mayor.

MS. PALAMOUNTAIN NOMINATED MR. ROMERO FOR THE OFFICE OF PRESIDENT. MR. DUNLOP SECONDED THE NOMINATION. ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Palamountain

Mr. Romero

Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. King

Mr. Singh

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE NOMINATION CARRIED.

MS. SEXTON NOMINATED MR. DUNLOP FOR THE OFFICE OF VICE-PRESIDENT. MS. PALAMOUNTAIN SECONDED THE NOMINATION.

Commissioner King stated his same objection to the election taking place without input from the incoming Mayor. Mr. King stated that the Commission should show some respect to the incoming Mayor particularly when Commissioners Dunlop and Palamountain's terms were going to expire in September 2004. Mr. King stated he was not going to support Mr. Dunlop because his term was going to expire and the Mayor-elect may have other plans.

Commissioner Singh asked the Executive Director if the incoming Mayor was informed about the election of officers.

Executive Director Marcia Rosen stated that the Mayor's office was aware of the Agency's published agenda, but the Mayor-elect was not especially informed of the election.

Commissioner Singh stated he believed that Commissioner Dunlop was a good choice for Vice-President, but the Commission should extend the courtesy to the incoming Mayor to hear his input and delay the election.

Commissioner Yee recalled that Commissioner Dunlop initiated the complaint on his reappointment to the Commission by providing false information to members of the Board of Supervisors, but he did not want to make a big deal about it as his reappointment was confirmed by the Board of Supervisors with a vote of six to five. Mr. Yee agreed with Commissioner King's statements and pointed out that Commissioner Dunlop's reappointment was up in 2004. Mr. Yee stated that the integrity of individual Commissioners was very important and Mr. Dunlop's integrity was questionable and opposed his nomination. Mr. Yee stated that the Commission should respect the incoming Mayor and wait for his input and delay the election of officers.

Commissioner King asked the Executive Director if she notified Mayor Brown and the incoming Mayor about the election.

Executive Director Rosen responded that Mayor Brown was notified, but not the Mayor-elect.

Commissioner King stated he was concerned because Mayor Brown did not reappoint Commissioner Dunlop to another Commission and he (Commissioner King) stated that he was opposed to Mr. Dunlop being elected as an officer.

Commissioner Singh stated that he would vote for Commissioner Dunlop, but would not if the election was not delayed and the incoming Mayor consulted.

MS. SEXTON NOMINATED MR. DUNLOP FOR THE OFFICE OF VICE-PRESIDENT. MS. PALAMOUNTAIN SECONDED THE NOMINATION. ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Ms. Palamountain

Mr. Romero

Ms. Sexton

AND THE FOLLOWING VOTED "NAY":

Mr. King

Mr. Singh

Mr. Yee

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES AND THREE (3) NAYS.

THE PRESIDENT THEREUPON DECLARED THAT THE NOMINATION CARRIED.

At this time, President Sexton relinquished the Chair to newly elected President Romero.

Items 4 (f) and 4 (g) were presented together and acted upon separately.

4 (f) Resolution No. 189-2003, Authorizing a Tax Increment Loan Agreement with Valencia Gardens Housing Limited Partnership, a California limited partnership, in an amount not to exceed \$5,000,000, for predevelopment and construction of 52 very low income family rental units at 340-370 Valencia Street; Agency Citywide Affordable Housing Program

4 (g) Resolution No. 190-2003, Approving the Replacement Housing Plan for Valencia Gardens, a 246-unit public housing development at 340-370 Valencia Street in the Mission District section of San Francisco;

Agency Citywide Affordable Housing program

Presenters: Anne Romero (Mayor's Office of Housing)

Speakers: Gregg Fortner, Carlos Romero, Mary Helen Rogers, Kenneth Jones

Commissioner Dunlop put forth a motion to adopt item 4 (f). Mr. Dunlop stated that he appreciated hearing concerns from Mrs. Mary Rogers about the Housing Authority, but he understood there was a new team in place at the Housing Authority and things were improving. Mr. Dunlop asked staff to address the issue of meeting senior housing obligations on the Central Freeway parcels A and C.

Executive Director Rosen stated that the Section 8 units pledged for Parcels A and C helped enforce the Commission's policy direction of keeping the proposed senior housing units as affordable as possible, even for homeless seniors. The project-based Section 8 program was the primary means used to drive down the housing costs to serve very low-income people including people with no income, and replacing the lost units at Valencia Gardens with about one-third of the units on Parcels A and C helped restore very low-income units to the City's overall affordable housing inventory and further the goals of the Commission for Parcels A and C to make the units affordable to all members of the senior community regardless of their income. Ms. Rosen stated that the RFQ for the developments discussed the goal of acquiring Section 8 vouchers to ensure that extremely low-income seniors could reside there. The developments would have preference for Western Addition certificate holders that would apply to all of the units and those with project-based Section 8 would be on the Housing Authority's waiting list with the highest priority for homeless seniors. Ms. Rosen stated that the needs of the Housing Authority and the Agency to replace lost units at Valencia Gardens and the Agency's desire to make the units on Parcels A and C available to extremely low-income seniors were common goals that could be achieved.

Commissioner Singh stated that he had the same questions, but were already addressed by the Executive Director.

Commissioner King asked why there was objection to a workshop suggested by Mrs. Mary Rogers because he was a bit confused himself and a workshop would help clarify things. Mr. King recalled that there were problems with the Housing Authority's Plaza East housing development and suggested a workshop.

Commissioner Yee stated he agreed with the suggested workshop and agreed with Commissioner King's statements and his opposition to the project.

Commissioner Singh stated that it was a good idea to conduct a workshop because the Commission had conducted many workshops before.

Executive Director Rosen stated that Mr. Gregg Fortner of the Housing Authority or Ms. Anne Romero could respond to Commissioners' concerns, but she understood that there was a time constraint with the Hope VI application that may not allow for a Commission workshop. Ms. Rosen pointed out that the Valencia Gardens project was a Housing Authority and Mayor's Office of Housing project and the Agency had been requested to provide tax increment financing, so the Agency's role was that of a financing entity.

Mr. Gregg Fortner, Executive Director of the Housing Authority, stated that the Hope VI funds for Valencia Gardens were awarded in 1997 and there had been an extensive public process for the project. Mr. Fortner stated that there had been drastic cuts in Federal funding for the Hope VI program and the Department of Housing and Urban Development (HUD) had began assessing penalties of \$1,000 a day for agencies that have not expended the allocated funds. Mr. Fortner assured the Commission that the Housing Authority was well aware of issues at the Plaza East project and pointed out that it was non-residents that caused nuisances in the development. The Housing Authority had hired private security and was working with the Police Department to abate nuisance activities. Mr. Fortner added that the Section 8 program was a difficult program to administer in San Francisco because Section 8 certificates were portable and when a certificate holder leaves San Francisco the City loses that housing unit, and project-based Section 8 was both an effective development tool as well as a means of keeping

the affordable population in San Francisco.

Commissioner Sexton seconded Commissioner Dunlop's motion to adopt item 4 (f). Ms. Sexton stated that Commissioner King raised a good point about how the project-based Section 8 program worked and wanted more information about the program at a later time. Ms. Sexton inquired about the timing for the Valencia Gardens project and requested clarification that project approval would have to be concluded by the end of the calendar year 2003.

Mr. Fortner affirmed that project approval must be concluded by the end of 2003 and stated that the Hope VI program was under attack by the Bush administration and that the Housing Authority in Washington D.C. was being penalized \$1,000 a day for not meeting its development schedule for their Hope VI projects. Mr. Fortner stated that the San Francisco Housing Authority had been successful so far in making arrangements with HUD to revise their development schedules, but HUD was becoming increasingly resistant to change time schedules.

Commissioner Singh recalled that the Executive Director earlier stated that the Agency's role was simply to give money to projects and he opined that the Agency should ensure that monies were being spent properly.

Commissioner Palamountain pointed out that the Mayor's Office of Housing memorandum indicated that a Memorandum of Understanding gave site control to Mission Housing and Development Corporation (MHDC) and asked if that had occurred.

Mr. Carlos Romero of MHDC affirmed that it had site control of Valencia Gardens.

Commissioner Palamountain stated she took to heart Commissioner King's comments, but pointed out that the staff report specified a plan for the use of the site to serve all age groups and that there was a boys and girls club two blocks from the site as well as a senior service center one-half block away, and she felt confident that quality of life concerns

would be addressed. Ms. Palamountain asked if the Valencia Gardens Hope VI project had been threatened with penalties from HUD and if the Housing Authority was in good standing with the HUD.

Mr. Fortner stated that the Valencia Gardens project had not been threatened with penalties from HUD and explained that the San Francisco Housing Authority had completed three of its Hope VI projects and there were no concerns expressed by the HUD.

Mr. Carlos Romero informed the Commission the time that was driving the schedule was a deadline at the California Debt Limit Allocation Committee (CDLAC) in January 2004 and MHDC as well as the Mayor's Office of Housing would like to have the entire project financing in line prior to the CDLAC consideration. Mr. Romero addressed Commissioner King's comments about the project and stated that there would be over 13,000 square feet of public amenities, including a 3,383 square-foot child-care center, a 2,300 square-foot outdoor children's play area, a 2,500 square-foot computer learning center, and a 5,300 square-foot multi-purpose community room. In addition, the project had been designed to provide interior space for the public amenities away from the streets. Mr. Romero added that MHDC had met with the residents and the community-at-large for the past two years about the design of the project, including public scoping meetings on the project EIR.

Commissioner Palamountain stated she understood that there were problems with the Housing Authority, but that there was a new management team in place that was addressing the issues. Ms. Palamountain pointed out that the Agency had a limited role in the project and stated her support for the project to move forward.

Commissioner Dunlop stated he agreed with Commissioner King's comments about having public input, but pointed out that in the case of Valencia Gardens, which had a public process, would result in delaying a very important project. Mr. Dunlop stated that the project should move forward to prevent homeless seniors from being homeless for even one more day.

Commissioner Singh stated that projects were always brought before the Commission at the last minute and staff should make the effort to

allow the Commission more time for review and consideration.

Commissioner Yee asked when the deadline was for the project before penalties were assessed by HUD, and stated that he was still unclear what the effect of a one or two-week delay would be in order to conduct a workshop.

Mr. Fortner stated he did not know of a deadline for HUD before it assessed penalties and added that HUD had arbitrary authority and discretion, but that the project had not yet been penalized.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, THAT ITEM 4 (f) RESOLUTION NO. 189-2003, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH VALENCIA GARDENS HOUSING LIMITED PARTNERSHIP, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$5,000,000, FOR PREDEVELOPMENT AND CONSTRUCTION OF 52 VERY LOW INCOME FAMILY RENTAL UNITS AT 340-370 VALENCIA STREET; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. Dunlop

Mr. King

Ms. Palamountain

Ms. Sexton

Mr. Singh

Mr. Yee

Mr. Romero

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, SEVEN (7) AYES.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 189-2003 WAS APPROVED.

ADOPTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 190-2003, APPROVING THE REPLACEMENT HOUSING PLAN FOR VALENCIA GARDENS, A 246-UNIT PUBLIC HOUSING DEVELOPMENT AT 340-370 VALENCIA STREET IN THE MISSION DISTRICT SECTION OF SAN FRANCISCO; AGENCY CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

4 (h) Resolution No. 191-2003, Authorizing a Personal Services Contract with Treadwell & Rollo, Inc., a California corporation, in an amount not to exceed \$360,000 and a term not to exceed three years for environmental review services in furtherance of the transfer of property from the United States Navy to the Agency at Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area

Presenters: Don Capobres (Agency staff)

Commissioner Dunlop asked if there had been a hazardous materials report issued yet.

Mr. Don Capobres, Senior Project Manager, stated that typically, the Navy would issue a report on a specific toxics issue and following staff review, the Navy would issue a letter report, which would then be reviewed by the Agency's consultant, Treadwell and Rollo. Mr. Capobres stated that an overall toxics report had not been published, but numerous individual reports had been prepared and completed.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MS. SEXTON, AND UNANIMOUSLY CARRIED (MR. SINGH ABSENT) THAT ITEM 4 (h) RESOLUTION NO. 191-2003, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$360,000 AND A TERM NOT TO EXCEED THREE YEARS FOR ENVIRONMENTAL REVIEW SERVICES IN FURTHERANCE OF THE TRANSFER OF PROPERTY FROM THE UNITED

STATES NAVY TO THE AGENCY AT HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) Resolution No. 192-2003, Authorizing a Predevelopment Grant Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, in an amount not to exceed \$44,500 to fund predevelopment activities associated with the construction of tenant improvements for its new museum located on the south side of Mission Street between New Montgomery and Third Streets (a portion of Parcel EB-2A); Yerba Buena Center Redevelopment Project Area

Presenters: Judy Eng (Agency staff)

Speakers: Belva Davis, Doris Vincent

President Romero stated that it was good to see Ms. Belva Davis involved in the project.

ADOPTION: IT WAS MOVED BY MS. SEXTON, SECONDED BY MR. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (i) RESOLUTION NO. 192-2003, AUTHORIZING A PREDEVELOPMENT GRANT AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$44,500 TO FUND PREDEVELOPMENT ACTIVITIES ASSOCIATED WITH THE CONSTRUCTION OF TENANT IMPROVEMENTS FOR ITS NEW MUSEUM LOCATED ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS (A PORTION OF PARCEL EB-2A); YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (j) Workshop on the proposed South of Market Redevelopment Plan Amendment; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: William Carney (Agency staff)

Speakers: Antoinetta Stadlman, Wilma Parker, Chris Powell, Charles Range

Commissioner Yee commended members of the South of Market Project Area Committee (PAC) for their hard work on the plan amendment and that he appreciated their efforts. Mr. Yee asked staff to address the issues raised during public testimony. Mr. Yee inquired about the formation and composition of the Project Area Committee (PAC) and asked how often was PAC elections held and if the public was informed of vacancies. Mr. Yee asked who established the membership categories of the PAC and could the composition be changed.

Mr. William Carney, Senior Project Manager, stated that the South of Market PAC was elected in 1997 and would continue to serve until 2010. As vacancies occurred within the various membership categories, the PAC filled positions with notification to all residents and business, including property owners in the project area. Mr. Carney stated that the Board of Supervisors established the composition of the PAC and it would take an action by the Board of Supervisors to modify the composition.

Commissioner Yee stated he did not know when the Agency had used eminent domain before, but recalled that it may have been used for the former Greyhound Bus depot for the Federal Office Building project.

Mr. James Morales, Agency General Counsel, stated that eminent domain proceedings were initiated for the former Greyhound Bus depot, but was not pursued, as the parties were able to negotiate the transaction.

Commissioner Yee asked how long was the plan adoption process and how can outreach to the community be improved because as the Commission heard from the public, not all of the community was aware of the proposed plan amendment. Mr. Yee requested staff to prepare

an outreach plan in order to better serve the community by notifying all affected property owners.

Mr. Carney stated that the plan adoption process would take about two months from Commission action. Mr. Carney informed the Commission that the PAC published a newsletter that was mailed to all residents, property owners, businesses and community based organizations within the project area. In addition, regular community meetings were held to explain the details of the proposed plan amendment. Mr. Carney stated that staff would report back on the outreach efforts.

Commissioner Dunlop thanked the public and the hard-working members of the PAC for coming to the workshop. Mr. Dunlop stated that it was important for the Commission to hear all of the concerns from the community and it was unfortunate that there were not a lot of people in attendance at the workshop. Mr. Dunlop stated he was aware that language in the plan amendment giving preference to local community developers had been taken out, but he would like to see some preference given to local community developers because it was important to keep the enormous public investment within the project area. Mr. Dunlop stated he would like to have further discussion about the matter and would attend the next PAC meeting to hear from the community.

Commissioner Singh welcomed property owners from South of Market to the meeting and stated he was also concerned with the lack of notification of the property owners about the proposed plan amendment. Mr. Singh stated that the newsletter should be published more than just quarterly in order to keep the community aware of the Agency's work. Mr. Singh stated there should be more property owners represented on the PAC and that the tenure of PAC members to the year 2010 was too long, because even elected officials had term limits. Mr. Singh stated he was very much against the use of eminent domain especially for small property and business owners.

Commissioner Singh stated he wanted to mention his concerns about items placed on the consent agenda, in particular items that sought time extensions and stated there should be penalties assessed for not meeting performance schedules on projects.

Commissioner Sexton thanked Mr. William Carney and Agency staff that had worked very hard on the plan amendment. Ms. Sexton stated she shared the same concerns with the outreach efforts, but believed that staff had done its best to notify everyone in the project area and that sometimes, it was not always possible to reach everyone. Ms. Sexton commended staff's outreach efforts and urged them to continue their diligence.

President Romero thanked the public for coming to the workshop and stated that even though there was a light turnout at the Commission meeting, he knew that PAC meetings were well attended. Mr. Romero commended members of the PAC for working many hours on the plan amendment and urged members of the community and the public to watch out for scheduled meetings on the plan adoption scheduled in April 2004. Mr. Romero stated that the PAC had been responsive to concerns raised by the community.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Mary Helen Rogers, Charles Range

7. REPORT OF THE PRESIDENT

- President Romero thanked outgoing President Michelle W. Sexton for her leadership during the past year and a half and stated that Commission

meetings went smoothly under her stewardship.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen acknowledged outgoing President Sexton's dedicated service and thanked her for her leadership and welcomed the new officers of the Commission.
- Announced the Affordable Housing Celebration that began at 6:00 p.m. in the Green Room of the Veterans building. This event was to celebrate the affordable housing accomplishments of the City during Mayor Brown's tenure.
- Delta Hotel ribbon cutting on January 17th, 11:00 a.m. to 1:00 p.m. at 88 Sixth Street.
- Dudley Hotel reopening and Plaza Hotel groundbreaking on January 18th, 10:00 a.m. at 172 Sixth Street.
- Tree lot on Fillmore (Parcel 732-A at Fillmore and Eddy Streets), open from 9:00 a.m. to 9:00 p.m. through December 24th – sales to benefit the Beacon Center at Benjamin Franklin School.
- Executive Director Rosen wished the Commission and the public happy holidays and wished Commissioner King healing and rejuvenation and a quick recovery during the holiday season. Ms. Rosen also wished everyone a happy new year.

9. COMMISSIONERS' QUESTIONS AND MATTERS

- Commissioner Singh put forth a motion to continue the scheduled closed session item so that the Commission could attend the Affordable Housing Celebration. Commissioner Palamountain seconded the motion.
- Commissioner Dunlop asked if there was any time constraint with the closed session item.

Executive Director Rosen responded that there was no time constraint with the closed session item.

MOTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. YEE ABSENT) THAT CLOSED SESSION ITEM 10 (a) PURSUANT TO GOVERNMENT CODE § 54956.9(B): CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION: ONE POTENTIAL CASE, BE CONTINUED TO THE NEXT MEETING OF THE COMMISSION.

- Commissioner Sexton thanked the Commissioners for their kind words and wished everyone Happy Holidays.
- Commissioner Singh asked that everyone give Commissioner Sexton a standing ovation for her service as Commission President. Everyone stood up and applauded Commissioner Sexton.

10. CLOSED SESSION:

(a) Pursuant to Government Code § 54956.9(b): Conference with Legal Counsel regarding anticipated litigation: one potential case.

11. ADJOURNMENT

It was moved by Ms. Sexton, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:35 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:



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San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

December 7, 2004

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
7TH DAY OF DECEMBER 2004

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7/04
The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 7th day of December 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:10 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Leroy King

Kathryn C. Palamountain

Darshan Singh

Benny Y. Yee

And the following were absent:

Mark Dunlop, Vice-President

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA

4 (a) Approval of Minutes: Special meeting of November 9, 2004 and regular meeting of November 16, 2004

4 (b) Resolution No. 139-2004, Authorizing a Fourth Amendment to the Owner Participation Agreement with the Full Gospel San Francisco Church, a California nonprofit corporation, to extend the schedule of performance for the construction of an approximately 4,050-square-foot expansion to an existing 10,900-square-foot, multipurpose building located at 1480 Ellis Street; Western Addition Redevelopment Project Area A-2

4 (c) Resolution No. 140-2004, Authorizing a Third Amendment to the Tax Increment Affordable Housing Program Loan Agreement with 32-40 6th Street, LLC, a California limited liability company, to revise the schedule of performance for the rehabilitation of the Seneca Hotel, 32-40 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Item 4 (c) was withdrawn from the Consent Agenda.

The Commission voted on the remaining items 4(a) and 4 (b) on the Consent Agenda

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT CONSENT AGENDA ITEMS 4 (a) APPROVAL OF MINUTES: SPECIAL MEETING OF NOVEMBER 9, 2004 AND REGULAR MEETING OF NOVEMBER 16, 2004, AND 4(b) RESOLUTION NO. 139-2004, AUTHORIZING A FOURTH AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH THE FULL GOSPEL SAN FRANCISCO CHURCH, A CALIFORNIA NONPROFIT CORPORATION, TO EXTEND THE SCHEDULE OF PERFORMANCE FOR THE CONSTRUCTION OF AN APPROXIMATELY 4,050-SQUARE-FOOT EXPANSION TO AN EXISTING 10,900-SQUARE-FOOT, MULTIPURPOSE BUILDING LOCATED AT 1480 ELLIS STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

The Commission considered item 4 (c) separately.

4 (c) Resolution No. 140-2004, Authorizing a Third Amendment to the Tax Increment Affordable Housing Program Loan Agreement with 32-40 6th Street, LLC, a California limited liability company, to revise the schedule of performance for the rehabilitation of the Seneca Hotel, 32-40 Sixth Street; South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Jeff White (Agency staff)

Speakers: Antoinetta Stadlman, Henry Karnilowicz

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (c) RESOLUTION NO. 140-2004, AUTHORIZING A THIRD AMENDMENT TO THE TAX INCREMENT AFFORDABLE HOUSING PROGRAM LOAN AGREEMENT WITH 32-40 6TH STREET, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO REVISE THE SCHEDULE OF PERFORMANCE FOR THE

REHABILITATION OF THE SENECA HOTEL, 32-40 SIXTH STREET; SOUTH OF MARKET
EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

4 (d) Resolution No. 141-2004, Commending and expressing appreciation to Edmund W. Ong, Chief of Architecture, for his 39 years of dedicated public service on the occasion of his retirement from the Redevelopment Agency of the City and County of San Francisco

Presenters: Marcia Rosen (Agency staff)

Speakers: Marcia Rosen, Erwin R. Tanjuaquio

Commissioner Yee put forth a motion to adopt item 4 (d). Mr. Yee apologized for not being able to attend Mr. Ed Ong's retirement party due to conflicting schedule. Mr. Yee stated he had requested Governor Schwarzenegger's office for a gubernatorial proclamation for Mr. Ong's retirement and as soon as he receives it he would deliver it personally to Mr. Ong. Mr. Yee thanked Mr. Ong for his 39 years of dedicated service to the Redevelopment Agency and for being a loyal employee to the City and County of San Francisco. Mr. Yee offered to teach Mr. Ong how to fish and wished him the best of luck in his retirement.

Commissioner Singh stated he could not attend Mr. Ong's retirement party because he was in a State Prison Board meeting in Sacramento. Mr. Singh stated he would miss Mr. Ong and wished him the best of luck in his retirement. Mr. Singh seconded Commissioner Yee's motion to adopt item 4 (d).

Commissioner Palamountain stated she appreciated the understated approach that Mr. Ong had in creating good urban design in the many development projects that had gone before the Commission. Ms. Palamountain stated she had absorbed the intricacies of good architecture through Mr. Ong's many presentations before the Commission and saw his hand in many of the architectural designs for various developments that the Commission had approved. Ms. Palamountain stated she would miss Mr. Ong's presence and influence in the important architectural work of the Agency. Ms. Palamountain wished Mr. Ong the best of luck in his retirement.

Commissioner King stated he was sorry he could not attend Mr. Ong's retirement party, but wanted to thank Mr. Ong for his many contributions as seen in many of the buildings all over the City especially in Yerba Buena Center. Mr. King thanked Mr. Ong for his guidance to the Commission and that he was very proud of what the Redevelopment Agency had done through the years with Mr. Ong's outstanding work. Mr. King wished Mr. Ong the best of luck in his retirement.

President Romero congratulated Mr. Ong on his retirement and on a fabulous career at the Redevelopment Agency. Mr. Romero stated that not only was Mr. Ong's career a long one, but also a very productive career with steady advancement with more responsibilities, all culminating in not only statewide, but national recognition for his contributions. Mr. Romero stated this was a great testament to Mr. Ong both as a person and an architect. Mr. Romero stated he was sure that Mr. Ong's colleagues would miss him and wished him the best of luck in his retirement.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (MR. DUNLOP ABSENT) THAT ITEM 4 (d) RESOLUTION NO. 141-2004, COMMENDING AND EXPRESSING APPRECIATION TO EDMUND W. ONG, CHIEF OF ARCHITECTURE, FOR HIS 39 YEARS OF DEDICATED PUBLIC SERVICE ON THE OCCASION OF HIS RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

4 (e) Resolution No. 142-2004, Authorizing a Personal Services Contract with New City America, Inc., a California corporation, for two years in an amount not to exceed \$121,000 to investigate the feasibility of forming one or more property-based business improvement districts in the Fillmore Jazz Preservation District and Japantown; Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades (Agency staff)

Speakers: Mary Rogers, Karin Flood Eklund, Linda Mjellen, Natalie Berg,

Michael Johnson, Linda Jofuku, Chi-Hsin Shao

Commissioner Singh asked how long had Ms. Karin Eklund worked for New City America.

Ms. Karin Eklund stated she had worked with New City America for the past three years.

Commissioner Singh put forth a motion to adopt item 4 (e).

Commissioner Yee seconded Commissioner Singh's motion. Mr. Yee stated he had heard about Ms. Mary McCue's work on Union Square and was confident that she would do a great job in the Western Addition.

Commissioner Palamountain thanked Ms. Denise Blades for her excellent presentation and for working diligently with the Western Addition Citizens' Advisory Committee. Ms. Palamountain stated she had some concerns about the Agency following a tax policy such as special assessment districts and although she was not that familiar with property-based business improvement districts (PBID), she had looked into assessment districts and asked what criteria the Agency applied in determining the feasibility of the PBID.

Mr. Marco Limandri, President of New City America, stated that the PBID process was regulated by the State constitution and the district could only be established if the property owners voted by weighted majority in order to institute the district. Special assessment districts could only fund special benefits. Part of the outreach process would involve working with the community, property and business owners and residents, and first looking at a map to decide which area would be surveyed. A geographic area would be plotted for what would be defined as the Fillmore district or Japantown district, which would be followed by a written survey and one-on-one meetings with constituent groups. The intent would be to determine where the bases of support from among the property owners in order to move forward to the various steps that ultimately ends in a public hearing in an assessment ballot proceeding. Mr. Limandri stated they used a strict methodology to determine the feasibility of the district and that was why the contract was in three phases. If during the first phase there was no support, the process would end, and if it can be demonstrated that there was significant support from the property owners and the community, only then would the process move forward to the formation stage, because there would be a high enough threshold of support necessary to actually get to the balloting.

Commissioner Palamountain stated she would support the proposed contract because she thought it was an important assessment to do, but that she would be more comfortable if the Agency looked at the desirability of a PBID for the particular set of businesses in this particular neighborhood with its particular problems, issues and challenges, rather than determining the feasibility of a PBID and if it had enough support. Ms. Palamountain stated her concerns come from a taxation policy concern where special assessment districts bind property owners in the future for decisions that would be made today, regardless of whether conditions in the future change or whether property and business owners in the future would have different concerns. Ms. Palamountain stated she wanted to make sure that her concerns would be part of the thought process in determining the feasibility of a PBID in the Western Addition and to allow flexibility for property and business owners as well as the community to have a stake in how funds from the PBID were expended.

Commissioner King stated he was not sure if he would vote for the proposed contract because the contractor had no minority representation. Mr. King stated he was concerned and skeptical because the neighborhood involved was predominantly African-American and Japanese-American. Mr. King asked how many times would the contractor have to report back to the Commission as part of the its contract.

Executive Director Rosen stated the contract was for a term of two years and the contractor would provide a report in six months.

Commissioner Yee recalled that Ms. Blades stated in her presentation that the contractor had met all of the Agency's purchasing policies, yet Commissioner King had noted that there was no minority representation in the firm. Mr. Yee stated he shared the same concern as Commissioner King.

Mr. Chris Iglesias, Contract Compliance and Fiscal Services Manager, stated that this was a unique project requiring specialized work and that was why Agency staff went beyond its normal outreach to ensure the broadest participation, but there were not a lot of firms that do the specialized work for PBIDs. Mr. Iglesias stated that although the recommended firm was not ethnically diverse, it did have women business enterprise participation and had complied with the Agency's purchasing policy. Mr. Iglesias added that the pool of potential consultants that specialized in forming PBIDs was very limited.

Executive Director Rosen stated that Mr. Iglesias had just reinforced for the Commission that the contract did comply with the Commission's purchasing policy, which requires the use of a fair and competitive process and encouraged opportunity for disadvantaged businesses to participate, but the Agency must also look at the qualifications to meet the desired result of the project. The firm selected must also comply with the Agency's hiring and other equal opportunity provisions, and which the recommended firm did. The selection process used by staff did comply with the Agency's equal opportunity policies.

Commissioner Singh asked who the five respondents were.

Ms. Denise Blades, Development Specialist, stated that two of the five submittals were incomplete and non-responsive and the three firms, which were all interviewed, comprised of New City America, Urban Place Consulting, and Oriline Global Strategy.

President Romero stated he read the memorandum thoroughly and the Commission was being asked to hire the firm to investigate the feasibility of forming a PBID in the Western Addition. Mr. Romero stated it was clear that the selection process was very

thorough and there was no reason to oppose the hiring of the contractor. Mr. Romero stated the Agency could not always have representation from every ethnic group in all of its contracts and must look at the big picture and see the benefit to the community that the Agency was trying to help by exploring the PBID option.

Commissioner King stated he disagreed with President Romero because the contract would not help the Western Addition community. Mr. King asked Ms. Mary McCue if she understood his concerns.

Ms. Mary McCue of MJM Management Group, stated she understood Commissioner King's concerns and explained that not only did their consultant team meet the terms and conditions of the RFQ, but in addition, they currently worked in the Fillmore and would continue to work with Mrs. Mary Rogers throughout the outreach process. Ms. McCue stated that they would also work with Ms. Linda Jofuku to work with the Japanese-American community to identify specific individuals that would have a stake in the formation of the PBID. Ms. McCue stated they needed to provide an opportunity for the community to decide if they wanted to participate in the formation of the PBID.

Commissioner Yee stated he felt that the formation of the PBID may take more than two years and asked if staff had a sense of when the whole process might be completed and scheduled before the Commission.

Ms. Denise Blades stated that it could take less than two years and staff would not be certain until the work began.

Executive Director Rosen added that the first phase of the project was estimated to take approximately six months and staff would report back to the Commission at that time and would have more information about the timing.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. YEE, THAT ITEM 4 (e) RESOLUTION NO. 142-2004, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH NEW CITY AMERICA, INC., A CALIFORNIA CORPORATION, FOR TWO YEARS IN AN

AMOUNT NOT TO EXCEED \$121,000 TO INVESTIGATE THE FEASIBILITY OF FORMING ONE OR MORE PROPERTY-BASED BUSINESS IMPROVEMENT DISTRICTS IN THE FILLMORE JAZZ PRESERVATION DISTRICT AND JAPANTOWN; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King

Ms. Palamountain

Mr. Singh

Mr. Yee

Mr. Romero

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FIVE (5) AYES AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED AND RESOLUTION NO. 142-2004 WAS ADOPTED.

4 (f) Resolution No. 143-2004, Adoption of the five-year implementation plan for the South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Wilma Parker, Brian Egg, Antoinetta Stadlman, Henry

Karnilowicz

Commissioner Yee put forth a motion to continue the matter until the first meeting in

January 2005.

Commissioner Singh asked what the impact would be if the matter was continued.

Executive Director Rosen stated that the Agency was required to adopt an implementation plan every five years and staff was hoping to adopt one for South of Market before the end of the calendar year (2004), but believed that there would not be irreparable harm if the matter were continued.

Commissioner Singh seconded Commissioner Yee's motion to continue the matter until the first meeting in January 2005.

Commissioner Palamountain asked what the reason was for the continuance and what was expected to change in the implementation plan during the next three weeks.

Commissioner Yee stated that the divided public testimony warranted a continuance of the matter and recalled that the vote of the Project Area Committee (PAC) on the implementation plan was very close.

Executive Director Rosen stated that Ms. Wilma Parker did testify about a vote of the PAC, but she was speaking of the PAC's vote on the proposed redevelopment plan amendment and not on the five-year implementation plan. Ms. Rosen stated she believed that the PAC's vote on the implementation plan was a substantial majority for its approval.

Mr. Mike Grisso, Project Manager, stated that Ms. Wilma Parker was speaking of the PAC's vote on the plan amendment and not the implementation plan. Mr. Grisso stated that the PAC's vote on the implementation plan was almost unanimous with one dissenting vote. Mr. Grisso added that the implementation plan was a separate planning document and that provided a guide for the development of the project area for a five-year period.

Commissioner Yee asked when the Agency last adopted a five-year implementation plan for South of Market.

Mr. Grisso stated that the current five-year implementation plan for South of Market

expired in November 2004.

Commissioner Palamountain stated she would really like to see the PAC focus its attention to the more important document, the redevelopment plan amendment, instead of the implementation plan. Ms. Palamountain stated she thought that Commissioner Yee's concerns about the public having the opportunity to be heard on the plan amendment was very laudable, but would respectfully ask Commissioner Yee to consider withdrawing his motion to continue the matter.

President Romero stated he would disagree with the Executive Director's response that there would not be harm if the matter were continued. Mr. Romero stated the Agency had a very hardworking PAC that spent a lot of time working with Agency staff to come up with the implementation plan, and even though the implementation plan was overwhelmingly supported by the PAC, if the Commission continued the matter, that would give credence to the one vote against the implementation plan. Mr. Romero stated he believed that would be harmful to members of the PAC and its well-being. Mr. Romero stated he would vote against the motion to continue and wanted to go on record supporting the hard work of the PAC who worked tirelessly on the plan amendment and the project area.

Commissioner Singh asked how many were in attendance at the PAC meeting when the implementation plan was voted on. Mr. Singh asked if there would be any harm to the PAC if the matter were continued.

Ms. Antoinetta Stadlman, Chair of the PAC, stated there were 14 members in attendance at the meeting when the implementation plan was voted on and confirmed that there was only one vote against. Ms. Stadlman stated there would be no harm if the matter were continued other than the delay in time.

MOTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. SINGH THAT ITEM 4 (f) RESOLUTION NO. 143-2004, ADOPTION OF THE FIVE-YEAR IMPLEMENTATION PLAN FOR THE SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA BE CONTINUED TO THE FIRST REGULAR MEETING OF THE COMMISSION IN JANUARY 2005, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King

Mr. Singh

Mr. Yee

AND THE FOLLOWING VOTED "NAY":

Ms. Palamountain

Mr. Romero

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, THREE (3) AYES, TWO (2) NAYS, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED.

4 (g) Workshop on the proposed South of Market Redevelopment Plan Amendment, South of Market Earthquake Recovery Redevelopment Project Area

Presenters: Mike Grisso (Agency staff)

Speakers: Wilma Parker, Brian Egg, Antoinetta Stadlman, Henry

Karnilowicz

Commissioner Yee requested verification that the PAC was funded by the Agency, and if the PAC had any quorum requirements for their meetings. Mr. Yee requested staff to report back to the Commission regarding the conduct of PAC meetings, in particular testimony about meetings conducted with only three PAC members and allegations of the PAC chair not allowing public comment during PAC meetings.

Executive Director Rosen stated the PAC had bylaws and meetings were subject to the Brown Act, which provided for public notice of PAC meetings. Ms. Rosen stated that the PAC also had subcommittees that met regularly, which had lower quorum

thresholds. Ms. Rosen stated she believed that Commissioners were on the mailing list for full PAC and subcommittee meeting minutes and staff could provide additional information if necessary. Ms. Rosen assured the Commission that staff would look into the conduct of PAC meetings and report back to the Commission.

Commissioner Palamountain stated she appreciated the hard work of the PAC and the citizens that participated in the process because she had witnessed their passion and focus on the substance and they deserve the respect and appreciation of the Commission. Ms. Palamountain stated she had concerns about the increased emotions focused on eminent domain, not that the issue of eminent domain was a coercive governmental power, because her own personal view is that eminent domain should be used sparingly and with just compensation to affected property owners and only in the most limited circumstances. Ms. Palamountain stated she could understand the concerns of the property owners in South of Market, and asked staff why the redevelopment plan had become focused on eminent domain and why it was identified specifically in the proposed redevelopment plan amendment.

Mr. Mike Grisso stated that eminent domain is a power granted to redevelopment agencies by the California Community Redevelopment Law and would normally be in redevelopment plans, except that the South of Market Earthquake Recovery Redevelopment Plan was adopted pursuant to the California Disaster Project Law and did not include the provisions for eminent domain. Mr. Grisso stated he believed that in the course of time since the redevelopment plan was adopted in 1990, Agency staff and the community realized that not having the power of eminent domain had hindered the Agency's ability to revitalize the project area, and the purpose of including it in the proposed redevelopment plan amendment was to enable the Agency to utilize it to help revitalize the project area, only in extreme cases where a property owner was unwilling to improve its property in accordance with the redevelopment plan.

Commissioner Palamountain asked if the use of eminent domain on properties had been linked with benefits to the community, except for properties that posed a public safety hazard, and if staff had discussed with the community the benefits of utilizing the power of eminent domain.

Mr. Mike Grisso stated that staff had discussed and explained the use of eminent domain to the community and that the purpose of redevelopment was to help alleviate blight or blighting conditions and the theory was that blight had an adverse impact on the economic development of an area or its economic development potential. For example, if there was a piece of property that had been vacant for years, it would have an adverse impact on the revitalization of the neighborhood because it makes it more difficult and less likely for businesses to move into the area and invest if property owners themselves were not willing to address the recurring conditions of blight in the project area. Mr. Grisso added that the idea was to foster economic revitalization because a vacant property would be a drain on the economic development potential of the neighborhood.

Commissioner Palamountain stated she was concerned that the Agency was not being convincing or persuasive because it seemed like the Agency was having a hard time having the plan amendment adopted, and she would be really interested in taking a step back and determine if redevelopment is what the community wants in the first place. Ms. Palamountain stated she did not understand what the difficulty was in moving forward with the plan amendment to a stage where it could come before the Commission for adoption.

Executive Director Rosen stated there was a lot of momentum on the plan amendment, but because of circumstances beyond the control of the Agency or the PAC, there were delays. All of these issues were thoroughly and exhaustively reviewed and signed-off by the PAC several years ago, and every word in the section on eminent domain was discussed at countless PAC meetings. The limitations on the use of eminent domain came from the PAC and from discussion with the property owners, and the time delay on plan adoption had to do with the environmental review and the City's Housing Element and other things outside of the plan amendment process itself. Ms. Rosen stated that staff was hopeful that the plan adoption would be scheduled before the Commission in February 2005.

4 (h) Resolution No. 144-2004, Authorizing an Eighth Amendment to the agreement for disposition of land for private development with the Mexican Museum, a California nonprofit corporation, which revises the schedule of performance and other requirements regarding Parcel CB-1-MM, located on the north side of Mission Street between Third and Fourth Streets; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Victor Marquez, William Moreno, Tom Peterson, Sharon V.

Carlock

Commissioner Singh put forth a motion to adopt item 4 (h). Commissioner King seconded the motion.

Commissioner Palamountain stated she wanted to express her deep concerns that the museum had been in the fundraising stage for a long time without raising any money and that she would vote against the eighth amendment, and wanted to let the museum board know that she sincerely hoped that board would prove that her vote was unwarranted.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, THAT ITEM 4 (h)

RESOLUTION NO. 144-2004, AUTHORIZING AN EIGHTH AMENDMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE DEVELOPMENT WITH THE MEXICAN MUSEUM, A CALIFORNIA NONPROFIT CORPORATION, WHICH REVISES THE SCHEDULE OF PERFORMANCE AND OTHER REQUIREMENTS REGARDING PARCEL CB-1-MM, LOCATED ON THE NORTH SIDE OF MISSION STREET BETWEEN THIRD AND FOURTH STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED, AND ON ROLL CALL, THE FOLLOWING VOTED "AYE":

Mr. King

Mr. Singh

Mr. Yee

Mr. Romero

AND THE FOLLOWING VOTED "NAY":

Ms. Palamountain

AND THE FOLLOWING WERE ABSENT:

Mr. Dunlop

THE SECRETARY DECLARED THE RESULTS OF THE ROLL CALL VOTE, FOUR (4) AYES, ONE (1) NAY, AND ONE (1) ABSENT.

THE PRESIDENT THEREUPON DECLARED THAT THE MOTION CARRIED, AND RESOLUTION NO. 144-2004 WAS ADOPTED.

4 (i) Resolution No. 145-2004, Authorizing execution of personal services contracts with firms listed on a panel of environmental assessment firms for consulting services for a three-year period in a total aggregate amount not to exceed \$600,000 on an as-needed basis and subject to the availability of funds; all Redevelopment Project Areas, Survey Areas, City-wide Housing Program, and other designated areas

Presenters: Su-Syin Chou (Agency staff)

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED (MR. DUNLOP AND MR. SINGH ABSENT) THAT ITEM 4 (i) RESOLUTION NO. 145-2004, AUTHORIZING EXECUTION OF PERSONAL SERVICES CONTRACTS WITH FIRMS LISTED ON A PANEL OF ENVIRONMENTAL ASSESSMENT FIRMS FOR CONSULTING SERVICES FOR A THREE-YEAR PERIOD IN A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$600,000 ON AN AS-NEEDED BASIS AND SUBJECT TO THE AVAILABILITY OF FUNDS; ALL REDEVELOPMENT PROJECT AREAS, SURVEY AREAS, CITY-WIDE HOUSING PROGRAM, AND OTHER DESIGNATED AREAS, BE ADOPTED.

4 (j) Workshop on status of conditions to closing escrow under the Phase I Disposition and Development Agreement with Lennar/BVHP, LLC; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne Sakai (Agency staff)

4 (k) Public hearing on the Draft Environmental Impact Report for the Bayview Hunters Point Redevelopment Projects

Presenters: Stan Muraoka (Agency staff)

Speakers: David Beaupre, Steve Atkinson, Arnold Townsend, Ms. Nic

Griffin, Charlie Walker

Commissioner Yee asked how many more public hearings were scheduled following the December 10th deadline for public comment on the Draft EIR.

Mr. Stan Muraoka, Project Manager, stated that following the December 10th deadline for the receipt of public comment, Agency and Planning Department staff with the environmental consultant would compile the comments received and formulate responses to them and include them in a report called summary of comments and responses, which would be published and circulated for a period of two weeks. Following that period, public hearings would be scheduled by the Planning and Agency Commissions to consider certification of the Final EIR as complete and adequate.

Staff estimated the certification hearing(s) to occur in Spring 2005. Following certification of the Final EIR, the Agency and Planning Commissions could then consider adoption of the redevelopment plan amendments, and ultimately the Board of Supervisors would consider final adoption of the plan amendments.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

- Wilma Parker

7. REPORT OF THE PRESIDENT

- President Romero reminded that there would be a special Commission meeting on December 14th.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Closing of conveyance of Parcel A of the Hunters Point Shipyard - Ms. Rosen stated this was an extraordinary effort over a very condensed period of time and thanked Joanne Sakai, Erinn Lopez, Penny Nakatsu, Nicole Franklin, Gaynell Armstrong, Al Luis, Jim Nybakken, Kevin Masuda, Alma Basurto, and Lucinda Nguyen, who all worked very hard on one of the most complicated real estate closing, which was successfully completed on December 3rd.
- Transbay Plan Adoption update: Planning Commission to hear General Plan conformity on the proposed Redevelopment Plan Amendment on December 9, 2004. Possible special Commission meeting on January 25, 2005 to consider adoption of proposed Transbay Redevelopment Plan and related documents.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

- Commissioner Yee inquired about the recent sale of 71 acres of land in Mission Bay by Catellus to Farallon and asked what the purchase price was.

Ms. Amy Neches, Senior Project Manager, stated that staff had not reviewed the sale since it was a private transaction, but believed that the purchase price was \$340 million.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Mr. King, and unanimously carried that the meeting be adjourned. The meeting adjourned at 7:46 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:



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San Francisco Redevelopment Agency >> Meeting Information

San Francisco Redevelopment Agency

December 14, 2004

MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO, HELD ON THE
14TH DAY OF DECEMBER 2004

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4/04
The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 14th day of December 2004, at the place and date duly established for holding of such a meeting.

President Ramon E. Romero called the meeting to order at 4:00 p.m. Mr. Romero welcomed members of the public and asked that cell phones and pagers be turned off during the meeting.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon E. Romero, President

Mark Dunlop, Vice-President

Leroy King

Kathryn C. Palamountain

Darshan Singh

Benny Y. Yee

Marcia Rosen, Executive Director and staff members were also present.

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. None.

3. MATTERS OF UNFINISHED BUSINESS: None.

4. MATTERS OF NEW BUSINESS:

REGULAR AGENDA

4 (a) Election of President and Vice President (calendar year 2005)

President Romero stated he was contacted by the Mayor's Office and since there was not a full compliment of Commissioners with only six seated Commissioners, and a nominated individual that has to go through the appointment process at the Board of Supervisors, the Mayor's Office had requested that the election of President and Vice-President be postponed until the first regular meeting after there are seven fully sworn-in Commissioners. Mr. Romero stated he would entertain a motion to postpone the election of President and Vice-President until the first regular meeting after there are seven fully sworn-in Commissioners.

Commissioner Dunlop put forth a motion to postpone the election of President and

Vice-President until the first regular meeting after there are seven fully sworn-in Commissioners.

Commissioner Singh seconded Commissioner Dunlop's motion.

MOTION: IT WAS MOVED BY MR. DUNLOP, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (a) ELECTION OF PRESIDENT AND VICE PRESIDENT (CALENDAR YEAR 2005), BE POSTPONED UNTIL THE FIRST REGULAR MEETING AFTER THERE ARE SEVEN FULLY SWORN-IN COMMISSIONERS.

Items 4 (b), (c), (d) and (e) were presented together and acted upon separately.

4 (b) Resolution No. 146-2004, Authorizing an Amended and Restated Tenant Improvement Construction Grant Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to increase the grant to an amount not to exceed \$5,000,000 for the museum facility located on a portion of Parcel EB-2A on the south side of Mission Street between New Montgomery and Third Streets; Yerba Buena Center Redevelopment Project Area

4 (c) Resolution No. 147-2004, Authorizing a First Amendment to the Bridge Loan Agreement with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to change the terms for the repayment of the loan for the museum to be located on a portion of Parcel EB-2A on the south side of Mission Street between New Montgomery and Third Streets; Yerba Buena Center Redevelopment Project Area

4 (d) Resolution No. 148-2004, Authorizing a Second Amendment to the Personal Services Contract with the Freelon Group Inc., a North Carolina corporation, for architectural services for the Museum of the African Diaspora, a California nonprofit public benefit corporation, to increase the budget to an amount not to exceed \$1,948,140; Yerba Buena Center Redevelopment Project Area

4 (e) Resolution No. 149-2004, Authorizing a First Amendment to the Agreement for operation of a museum facility with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to change the terms for Agency funding of operations for the museum to be located on a portion of Parcel EB-2A on the south side of Mission Street between New Montgomery and Third Streets; Yerba Buena Center Redevelopment Project Area

Presenters: Amy Neches (Agency staff)

Speakers: Belva Davis, Joe Sam, Brenda Jackson Drake, George McQuillister III, Barbara Boston, Kim Cousin, Melissa Pursley, Stephen Becker, Mary Helen Rogers, Travis Kiyota, Ken Johnson, Rev. Arnold Townsend, Aileen Hernandez

Commissioner King put forth a motion to adopt item 4 (b) and recalled that twelve years ago, he made the motion to proceed with the development of the museum with an African-American development team, which unfortunately did not come to fruition. Mr. King stated that when the Carpenter Company was given the approval to develop the parcel, they were very cooperative in including the museum in their development and had been very supportive since. Mr. King stated it was a great day in his life to see the Museum of the African Diaspora progress steadily and hoped that the Commission would see the importance of the museum to the City and County of San Francisco.

Commissioner Singh stated he agreed with Ms. Aileen Hernandez's statement that the museum would be not only a national treasure but internationally. Mr. Singh stated he believed that the museum would also be a San Francisco treasure. Mr. Singh stated he wholeheartedly seconded Commissioner King's motion to adopt item 4 (b).

President Romero congratulated the Museum of the African Diaspora for the steady progress that they had made. Mr. Romero stated it was amazing that the grand opening was only a year away, and that the museum was an excellent model for the other museums that the Agency was trying to develop, in particular their fundraising efforts during the difficult economic times.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, THAT ITEM 4 (b) RESOLUTION NO. 146-2004, AUTHORIZING AN AMENDED AND RESTATED TENANT IMPROVEMENT CONSTRUCTION GRANT AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE GRANT TO AN AMOUNT NOT TO EXCEED \$5,000,000 FOR THE MUSEUM FACILITY LOCATED ON A PORTION OF PARCEL EB-2A ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT ITEM 4 (c) RESOLUTION NO. 147-2004, AUTHORIZING A FIRST AMENDMENT TO THE BRIDGE LOAN AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO CHANGE THE TERMS FOR THE REPAYMENT OF THE LOAN FOR THE MUSEUM TO BE LOCATED ON A PORTION OF PARCEL EB-2A ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (d) RESOLUTION NO. 148-2004, AUTHORIZING A SECOND AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE FREELON GROUP INC., A NORTH CAROLINA CORPORATION, FOR ARCHITECTURAL SERVICES FOR THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE BUDGET TO AN AMOUNT NOT TO EXCEED \$1,948,140; YERBA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MS. PALAMOUNTAIN, AND UNANIMOUSLY CARRIED THAT ITEM 4 (e) RESOLUTION NO. 149-2004, AUTHORIZING A FIRST AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO CHANGE THE TERMS FOR AGENCY FUNDING OF OPERATIONS FOR THE MUSEUM TO BE LOCATED ON A PORTION OF PARCEL EB-2A ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 4 (f) and (g) were presented together and acted upon separately.

4 (f) Resolution No. 150-2004, Granting two variances for the Fillmore Center requested by Fillmore Properties, LLC, a Delaware limited liability company, modifying certain development standards and requirements of the Western Addition A-2 Redevelopment Plan; Agency parcels 707-A, 726-A, 731-A, 749-C, 750-A and a portion of vacated Ellis Street; Western Addition Redevelopment Project Area A-2

4 (g) Resolution No. 151-2004, Authorizing an Eleventh Amendatory Agreement to the agreement for disposition of land for private development with Fillmore Properties, LLC, a Delaware limited liability company, to permit a change in land use, an increase in allowable square footage and residential units, and a change in tenant mix; Agency parcels 707-A, 726-A, 731-A, 749-C, 750-A and a portion of vacated Ellis Street; Western Addition Redevelopment Project Area A-2

Presenters: Denise Blades (Agency staff)

Speakers: Rev. Arnold Townsend, Ace Washington, Mary Helen Rogers

Commissioner King put forth a motion to adopt item 4 (f) and stated he agreed with Mrs. Mary Rogers that the current management team in the Fillmore Center had been doing a good job and maintained a good working relationship with the community.

Mr. King stated his support for the items.

Commissioner Yee seconded Commissioner King's motion to adopt item 4 (f).

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (f) RESOLUTION NO. 150-2004, GRANTING TWO VARIANCES FOR THE FILLMORE CENTER REQUESTED BY FILLMORE PROPERTIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, MODIFYING CERTAIN DEVELOPMENT STANDARDS AND REQUIREMENTS OF THE WESTERN ADDITION A-2 REDEVELOPMENT PLAN; AGENCY PARCELS 707-A, 726-A, 731-A, 749-C, 750-A AND A PORTION OF VACATED ELLIS STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (g) RESOLUTION NO. 151-2004, AUTHORIZING AN ELEVENTH AMENDATORY AGREEMENT TO THE AGREEMENT FOR DISPOSITION OF LAND FOR PRIVATE DEVELOPMENT WITH FILLMORE PROPERTIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO PERMIT A CHANGE IN LAND USE, AN INCREASE IN ALLOWABLE SQUARE FOOTAGE AND RESIDENTIAL UNITS, AND A CHANGE IN TENANT MIX; AGENCY PARCELS 707-A, 726-A, 731-A, 749-C, 750-A AND A PORTION OF VACATED ELLIS STREET; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (h) Resolution No. 152-2004, Consenting to the transfer of the Fillmore Center from Fillmore Properties, LLC, a Delaware Limited Liability Company, to Fillmore Center Associates LP, A California Limited Partnership, pursuant to the tax exempt bond financing regulatory agreement; Agency Parcels 707-A, 726-A, 731-A, 749-C, 750-A and a portion of vacated Ellis Street; Western Addition A-2 Redevelopment Project Area

Presenters: Olson Lee (Agency staff)

Speakers: Rev. Arnold Townsend, Ace Washington, Mary Helen Rogers,

Agonafer Shiferaw, Emmit Powell, Deborah Edgerly

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. YEE, AND UNANIMOUSLY CARRIED THAT ITEM 4 (h) RESOLUTION NO. 152-2004, CONSENTING TO THE TRANSFER OF THE FILLMORE CENTER FROM FILLMORE PROPERTIES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO FILLMORE CENTER ASSOCIATES LP, A CALIFORNIA LIMITED PARTNERSHIP, PURSUANT TO THE TAX EXEMPT BOND FINANCING REGULATORY AGREEMENT; AGENCY PARCELS 707-A, 726-A, 731-A, 749-C, 750-A AND A PORTION OF VACATED ELLIS STREET; WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA, BE ADOPTED.

4 (i) *Resolution No. 153-2004 was voided.*

4 (j) Resolution No. 154-2004, Authorizing a Tenant Improvement Loan Agreement with Powell's Place, LLC, a California limited liability company, in an amount not to exceed \$350,000 for tenant improvements, to re-establish a restaurant at 1521 Eddy Street, in the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2

Presenters: Nicole Franklin (Agency staff)

Speakers: Rev. Arnold Townsend, Betty Evans, Mary Helen Rogers,

Agonafer Shiferaw, Ace Washington

Commissioner Singh asked what kind of food Powell's Place served, what the restaurant's seating capacity was, the price range of the food, and the square footage of the restaurant.

Mr. Emmitt Powell stated his restaurant served southern cuisine, including chicken and ribs. Mr. Powell stated there would be about 200 seats in the restaurant and the price range of the food was around \$12.00. Mr. Powell stated that the restaurant was 3,998 square feet.

Commissioner Singh put forth a motion to adopt item 4 (j) and wished Mr. Powell good luck.

Commissioner King seconded Commissioner Singh's motion and stated he had gone to Powell's for many years when the restaurant was on Hayes Street, but unfortunately Mr. Powell was priced-out of the area. Mr. King stated he looked forward to going to the new restaurant on Fillmore Street.

Commissioner Palamountain stated she wanted to voice her personal support for the project because she grew up with grits in her cupboard and could not wait to come home to eat homemade biscuits, but there were also good business reasons to support Powell's Place. Ms. Palamountain stated that Mr. Powell had been in business for 32 years and was putting in a substantial amount of his own capital into the project and this was exactly the kind of economic development the Agency wanted to foster in all communities, in particular the Western Addition. Ms. Palamountain stated she hoped that Urban Solutions and Agency staff would be able to monitor the successes of such businesses, create a strong database for such projects, improve the Agency's loan program, and to encourage more businesses in the community. Ms. Palamountain stated she would support the loan, but wanted to have more data and statistics to document the success of such businesses and how the Agency could improve the loan program and record what economic benefits the business brought to the community.

Commissioner Yee stated he wholeheartedly supported the loan and shared that he used to operate his own restaurant years ago where he lost money and gave up on the business. Mr. Yee stated he agreed with Commissioner Palamountain's statements that it was a big risk for Mr. Powell to successfully run a 4,000 square-foot restaurant during the difficult economic times in any community and that was why banks do not make loans to restaurants until they establish themselves. Mr. Yee stated that with a projected gross monthly income of \$33,000, he figured it would require about \$1,000 or more per day that the restaurant needed to make, plus Mr. Powell was going to retain seven out of ten former employees. Mr. Yee stated that Mr. Powell was doing everything he could to make his restaurant a success at the same time creating jobs for the community. Mr. Yee stated he would definitely patronize the restaurant and wished Mr. Powell good luck.

President Romero stated it was a pleasure meeting Mr. Powell at a press conference about a month ago, and it was no wonder that Mr. Powell had been successful for 32 years because he makes quite an impression on people and his was the perfect personality for the type of business. Mr. Romero stated he did not think that the Agency was taking such a big risk with Mr. Powell because he had successfully operated his restaurant for 32 years and the loan was exactly the kind of assistance that the Agency should be doing for small businesses in various communities that needed economic revitalization. Mr. Romero lightheartedly asked Mr. Powell if reservations were needed at his new restaurant.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM 4 (j) RESOLUTION NO. 154-2004, AUTHORIZING A TENANT IMPROVEMENT LOAN AGREEMENT WITH POWELL'S PLACE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED \$350,000 FOR TENANT IMPROVEMENTS, TO RE-ESTABLISH A RESTAURANT AT 1521 EDDY STREET, IN THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

4 (k) Resolution No. 155-2004, Authorizing a First Amendment to the Personal

Services Contract with the Corporation for Supportive Housing, a Delaware-based nonprofit corporation, in an amount not to exceed \$100,000, for a term beginning January 1, 2005 and ending December 31, 2005 for as-needed technical assistance services to supportive housing developers and operators; Citywide Tax Increment Housing Program

Presenters: Chris Harris (Agency staff)

President Romero acknowledged the presence of Ms. Lauren Hall, who served with him as co-chair of the Housing Subcommittee of the Mayor's Homelessness Council.

ADOPTION: IT WAS MOVED BY MS. PALAMOUNTAIN, SECONDED BY MR. DUNLOP, AND UNANIMOUSLY CARRIED THAT ITEM 4(k) RESOLUTION NO. 155-2004, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE CORPORATION FOR SUPPORTIVE HOUSING, A DELAWARE-BASED NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$100,000, FOR A TERM BEGINNING JANUARY 1, 2005 AND ENDING DECEMBER 31, 2005 FOR AS-NEEDED TECHNICAL ASSISTANCE SERVICES TO SUPPORTIVE HOUSING DEVELOPERS AND OPERATORS; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

4 (l) Workshop on status of conditions to closing escrow under the Phase I Disposition and Development Agreement with Lennar/BVHP, LLC; Hunters Point Shipyard Redevelopment Project Area

Presenters: Joanne Sakai (Agency staff), Kurt Fuchs (Mayor's Office)

Commissioner Palamountain stated she felt a little lost with the series of workshops on the Hunters Point Shipyard since the Commission had already approved the DDA with Lennar/BVHP. Ms. Palamountain stated she appreciated the updates, but was confused as to how the workshops fit into what the Commission may be asked to approve in the future. Ms. Palamountain stated her understanding was that the Commission did not have a say as to whether Lennar exercised its option, so she was not clear as to why the Commission was conducting the workshops.

Executive Director Rosen referred to Attachment 1 to the Commission memorandum, which listed the key DDA conditions to closing of escrow. While it was true that the Commission had approved the DDA that legally binds the Agency, the DDA established a number of closing conditions that had to be met prior to close of escrow and transfer of the property to Lennar. Ms. Rosen stated that with respect to the lack of public participation at the Commission workshop, she believed that was a reflection of the extensive public participation through a parallel process conducted by the

CAC. The workshop presentations were for the benefit of the public-at-large and for the Commission. Ms. Rosen stated that the CAC had been and continued to be actively involved in all facets of the process including participation in public meetings by other City Commissions and the Board of Supervisors, and the information presented was deemed critical to the Commission's understanding of the very complex transaction, both the closing conditions and the changing economic terms and refined projections.

5. MATTERS NOT APPEARING ON THE AGENDA None.

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS None.

7. REPORT OF THE PRESIDENT

- President Romero informed everyone that the next regular Commission meeting was scheduled for January 18, 2005.

8. REPORT OF THE EXECUTIVE DIRECTOR

- Executive Director Rosen reminded Commissioners that she announced at the last meeting (December 7, 2004) that a special Commission meeting was being scheduled for January 25, 2005, largely for items related to the adoption of the Transbay Redevelopment Plan. Ms. Rosen stated that the timing of such special meeting was contingent upon actions by the Planning Commission and Transbay Joint Powers Authority and reported that everything was on track. Ms. Rosen stated that the Commission Secretary would be in contact with the Commissioners to ascertain their availability.
- Executive Director Rosen reported that in early 2005, staff would be completing its community-based planning for the Western Addition, South of Market, Mid-Market, Transbay and Bayview Hunters Point, and hoped to bring

before the Commission during the first quarter of 2005, the long-awaited plan and plan amendments for these areas.

- Executive Director Rosen concluded her Director's Report by wishing the Commissioners and the public a Happy Holidays and a Happy New Year.

9. COMMISSIONERS' QUESTIONS AND MATTERS None.

10. CLOSED SESSION None.

11. ADJOURNMENT

It was moved by Mr. Yee, seconded by Ms. Palamountain, and unanimously carried that the meeting be adjourned. The meeting adjourned at 6:38 p.m.

Respectfully submitted,

Erwin R. Tanjuaquio

Agency Secretary

APPROVED:

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4/26/2005



